



CITY COUNCIL STAFF REPORT

MEETING DATE: July 17, 2002

PRELIMINARY JUNE 2002 FINANCE & INVESTMENT REPORT

Agenda Item # 1

Prepared By:

Finance Director

Submitted By:

City Manager

RECOMMENDED ACTION:

Accept and File Report

EXECUTIVE SUMMARY:

Attached is the *preliminary* monthly Finance and Investment Report for the year ended June 30, 2002. The report covers the entire year's activity for the 2001/2002 fiscal year. A summary of the report is included on the first page for the City Council's benefit.

The monthly Finance and Investment Report is presented to the City Council and our Citizens as part of our ongoing commitment to improve and maintain public trust through communication of our finances, budget and investments. The report also serves to provide the information necessary to determine the adequacy/stability of financial projections and develop equitable resource/revenue allocation procedures.

This report covers all fiscal activity in the City, including the Redevelopment Agency. The Redevelopment Agency receives a separate report for the fiscal activity of the Agency at the meeting of the Agency. Presenting this report is consistent with the goal of *Maintaining and Enhancing the Financial Viability of the City*.

FISCAL IMPACT: as presented



CITY OF MORGAN HILL, CALIFORNIA
PRELIMINARY FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR
2001/02
FOR THE MONTH OF JUNE 2002 - 100% OF YEAR COMPLETE

This analysis of the status of the City's financial situation reflects 100% of the year on a preliminary basis. Not all transactions for the fiscal year ended June 30, 2002, are reflected in the attached. Certain expenditures incurred, but not yet paid, are not included in the financial activity. In addition, interest earnings for the fourth quarter ended June 30 have not yet been apportioned to the City and are therefore not included in financial activity. Certain other revenues have not yet been accrued and are also not reflected in financial activity.

- **General Fund** - The revenues preliminarily received in the General Fund were approximately 94% of the budgeted revenues. Property related taxes preliminarily amounted to \$2,392,635, which was 121% of the budget and 13% more than last year. The increase in property tax revenues was partly related to the start-up of pass-through tax revenues from the Redevelopment Agency distributed in 2001/02 by Santa Clara County for both tax years 2000/01 and 2001/02. Property transfer taxes, which are reflected within property related taxes, preliminarily declined by 20% to \$245,330, compared to last year. The amount of Sales Tax collected, including public safety sales taxes, was preliminarily 93% of the sales tax revenue budget & 7% less than at this time last year, based upon Sales Tax receipts and advances from the State. Business license and other permit collections were preliminarily 101% of the budgeted amount, up 2% from last year. Motor Vehicle-in-Lieu revenues were preliminarily 109% of the budgeted amount, up 10% from last year. Interest & Other Revenue were preliminarily 84% of budget, which reflected interest earnings for the third quarter ended March 31 that were posted in April, but did not yet include interest earnings for the quarter ended June 30.

While the report shows that the General Fund has preliminarily received \$14,487,516 in total revenues for the fiscal year ended June 30, which is less than the \$15,156,934 projected for 2001/02 in the 2002/03 Budget, staff believes that actual revenues will meet the projection reflected in the that budget. Revenues not yet accrued for transient occupancy taxes, interest earnings, garbage franchise payments, and reimbursement transfers from the Public Safety Trust Fund are projected to make up this \$669,418 difference.

The General Fund expenditures and encumbrances to date preliminarily totaled 93% of the budgeted appropriations. This total does not include certain expenditures that have not yet been paid, but does include encumbrances against which some of these expenditures will be applied.

- **Transient Occupancy (Hotel) Tax** - The TOT rate is 10%. Through June, the City received \$699,429 in revenue for the 2001/02 fiscal year, or 34% less than the \$1,065,987 received in the prior year, as a result of the recession and less business travel. These revenues are collected quarterly and the amount collected represents taxes paid by visitors through March 31. Taxes for the quarter ended June will be paid to the City at the end of July and are therefore not yet included in receipts.
- **Community Development** - Revenues were preliminarily 110% of budget, which was 28% less than the amount collected in the like period for the prior year. Planning expenditures were preliminarily 89% of budget, Building has expended or encumbered 79% of budget and Engineering 70%. Community Development has preliminarily expended or encumbered a combined amount that is 80% of the 2001/02 budget.



CITY OF MORGAN HILL, CALIFORNIA
PRELIMINARY FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR
2001/02
FOR THE MONTH OF JUNE 2002 - 100% OF YEAR COMPLETE

- **RDA and Housing** - Property tax increment revenues were preliminarily 114% of budget as of June 30. Redevelopment expenditures for Business Assistance, Administration and Housing were preliminarily 65% of budget.
- **Water and Sewer Operations**- Water Operations revenues, including service fees, were preliminarily 96% of budget. Expenditures preliminarily totaled 87% of appropriations. Sewer Operations revenue, which includes services fees, was preliminarily 100% of budget. Expenditures for sewer operations were preliminarily 87% of budget.
- **Investments maturing/called/sold during this period.** - During the month of June, \$8 million in federal agency investments was called. Further details of all City investments are contained on pages 6-8 of this report.



CITY COUNCIL STAFF REPORT

MEETING DATE: JULY 17, 2002

ACCEPTANCE OF SUBDIVISION IMPROVEMENTS FOR BUTTERFIELD BUSINESS CENTER, LLC

RECOMMENDED ACTION(S):

1. Adopt the attached resolution accepting the subdivision improvements commonly known as Butterfield - South Bay Development Co.
2. Direct the City Clerk to file a Notice of Completion with the County Recorder's office.

EXECUTIVE SUMMARY:

This 2 lot commercial subdivision is located on the northwest corner of East Main Avenue and Butterfield Boulevard (see attached location map). The subdivision improvements have been completed in accordance with the requirements of the Subdivision Improvement Agreement between the City of Morgan Hill and Butterfield Business Center, LLC dated October 30, 2000 and as specifically set forth in the plans and specifications approved by the City.

The streets to be accepted are:

| <u>Street Name</u> | <u>Street Length</u> |
|--------------------|----------------------|
| Central Avenue | 0.08 miles |

FISCAL IMPACT:

Staff time for this project was paid for by development fees.

Agenda Item # 2

Prepared By:

Senior Engineer

Approved By:

Public Works Director

Submitted By:

City Manager

RESOLUTION NO. 5595

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL
ACCEPTING THE SUBDIVISION IMPROVEMENTS FOR BUTTERFIELD
BUSINESS CENTER, LLC**

WHEREAS, the developer, designated as Butterfield Business Center, LLC, entered into a Subdivision Improvement Agreement on October 30, 2000: and

WHEREAS, Jim Ashcraft, City Engineer, has certified in writing to the City Council that all of said improvements have been installed according to the City specifications and plans for said subdivision.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MORGAN HILL, CALIFORNIA, AS FOLLOWS:

1. The City Council hereby finds and determines that all public improvements required to be constructed pursuant to the above-mentioned Subdivision Improvement Agreement have been completed in accordance with the plans and specifications for said improvements.
2. This resolution shall constitute an interim acceptance of all said public improvements and the date of its passage shall constitute the starting day for computing the one year maintenance provisions referred to in Paragraph 10 of the Subdivision Improvement Agreement of October 30, 2000.
3. The City Clerk, following adoption of this resolution, will file with the Recorder of Santa Clara County, California a Notice of Completion of the subdivision public improvements.
4. If requested by the developer or subdivider, the City Clerk hereby is authorized to record a certified copy of this resolution with the Recorder of Santa Clara County, California.

PASSED AND ADOPTED by the City Council of Morgan Hill at a Regular Meeting held on the 17th Day of July, 2002 by the following vote.

| | |
|-----------------|-------------------------|
| AYES: | COUNCIL MEMBERS: |
| NOES: | COUNCIL MEMBERS: |
| ABSTAIN: | COUNCIL MEMBERS: |
| ABSENT: | COUNCIL MEMBERS: |

🏛️ CERTIFICATION 🏛️

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Resolution No. 5595, adopted by the City Council at the Regular Meeting on July 17th, 2002.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk

Record at the request of
and when recorded mail to:

CITY OF MORGAN HILL
CITY CLERK
17555 Peak Avenue
Morgan Hill, CA 95037

RECORD AT NO FEE PURSUANT TO GOVERNMENT CODE SECTION 27383

NOTICE OF COMPLETION

CITY OF MORGAN HILL

BUTTERFIELD BUSINESS CENTER, LLC

NOTICE IS HEREBY GIVEN, pursuant to Section 3093 of the Civil Code of the State of California, that the Director of Public Works of the City of Morgan Hill, California, signed below, represents the City of Morgan Hill as the owner of the public improvements for the above named development. Said improvements were substantially completed on June 27, 2002, by Butterfield Business Center, LLC, the subdivider of record and accepted by the City Council on July 17, 2002. Said improvements consisted of public streets, utilities and appurtenances.

The name of the surety on the contractor's bond for labor and materials on said project is American Motorists Insurance Company.

Name and address of Owner: City of Morgan Hill
17555 Peak Avenue
Morgan Hill, California

Dated: _____, 20__.

Jim Ashcraft, Director of Public Works

I certify under penalty of perjury that the foregoing is true and correct.

Irma Torrez, City Clerk
City of Morgan Hill, CA
Date: _____



CITY COUNCIL STAFF REPORT

MEETING DATE: July 17, 2002

EMERGENCY AUTHORIZATION FOR STORM DRAIN REPAIR/REPLACEMENT IN KEYSTONE AVENUE

RECOMMENDED ACTION(S):

1. Adopt the attached Resolution declaring the need for this emergency expenditure.
2. Approve expenditure of \$16,262 from the 2002-03 Public Works - Streets Division Operating Budget to fund an emergency Storm Drain System repair/replacement on Keystone Avenue.

EXECUTIVE SUMMARY: A street pavement failure on Keystone Avenue was explored last week resulting in the discovery that our underground storm drain piping system in Keystone Avenue has deteriorated to the point that it is not capable of conveying storm water runoff.

The storm water runoff in Keystone Avenue is conveyed through an 18" underground pipe. The pipe material is reinforced concrete near Monterey Road, but as the pipe continues west on Keystone to the end and out of the roadway, it becomes corrugated metal pipe for a section approximately 64 feet in length. The pipe materials change again back to reinforced concrete as the piping system proceeds west eventually out falling into Llagas creek channel along the east side of Hale Avenue.

Corrugated metal pipe has a life span of 50 years or less, depending on measures taken to prevent corrosion such as galvanizing or asphaltic coatings. The 64' section of corrugated storm drain pipe in Keystone Avenue as described has deteriorated so severely that drainage water will no longer pass through it.

While runoff from rainfall is not presently a concern, our storm drain system also conveys landscape runoff and other incidental drainage on an intermittent basis. Presently, drainage water cannot pass through the underground system constituting this situation as an emergency requiring repair/replacement as further public improvements could be damaged from saturated conditions. If repair/replacement was to be delayed until winter rains begin, localized flooding could occur potentially causing private property damages.

Staff has requested and received a cost estimate for the replacement of the 64 lineal feet of corrugated metal pipe as described with reinforced concrete pipe including the necessary related repairs, junction structure tie-ins and asphalt pavement and curb/gutter repairs. Trincherro Construction Inc. has submitted a cost to complete this work of \$14,784. Staff recommends increasing this amount by a 10% contingency thus requesting approval to expend a total of \$16,262.40, if needed, for this work.

Our finding of a public emergency to waive the public bidding process requires a four/fifths affirmative vote of the Council.

FISCAL IMPACT: Sufficient funds exist in the 2002-03 Public Works Street Operations Budget to fund this emergency work.

Agenda Item # 3

Prepared By:

Deputy Director-PW

Approved by:

Public Works Director

Submitted By:

City Manager

RESOLUTION NO. 5596

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL
DECLARING THE NEED FOR AN EMERGENCY EXPENDITURE FOR STORM
DRAIN REPAIR/REPLACEMENT ON KEYSTONE AVENUE IN ACCORDANCE
WITH PUBLIC CONTRACT CODE 20168**

WHEREAS, an emergency currently exists for repair/replacement of 64 lineal feet of our underground storm drain piping system located on Keystone Avenue; and

WHEREAS, unless repair/replacement is completed drainage waters cannot be conveyed through this area; and

WHEREAS, if storm drain and other drainage waters cannot be conveyed through this area, further damages to public improvements or local flooding potentially causing private property damages could occur; and

THEREFORE, BE IT RESOLVED by the City Council of the City of Morgan Hill that it does resolve, determine and order the following:

1. Emergency Storm Drain piping repair/replacement is needed to properly convey public drainage waters through Keystone Avenue.
2. By a majority vote of those present at the City Council meeting on July 17, 2002, the Council finds, based upon the foregoing reasons, that the immediate preservation of the public peace, health and safety requires said expenditure to be made without competitive bids.
3. The sum of \$16,262 is hereby approved for expenditure for emergency storm drain repair/ replacement on Keystone Avenue.

PASSED AND ADOPTED by the City Council of Morgan Hill at a Regular Meeting held on the 17th Day of July, 2002 by the following vote.

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

☪ CERTIFICATION ☪

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Resolution No. 5596, adopted by the City Council at the Regular Meeting on July 17th, 2002.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk



CITY COUNCIL STAFF REPORT

MEETING DATE: JULY 17, 2002

APPROVAL OF SUPPLEMENTAL IMPROVEMENT AGREEMENT MORGAN HILL DEVELOPERS LLC - TRACT 9345 (EAST DUNNE AVENUE MEDIAN IMPROVEMENTS)

RECOMMENDED ACTION(S):

1. Appropriate \$92,830 from the current year unappropriated Traffic Impact Fee Fund for this reimbursement.
2. Authorize the City Manager to Sign a Supplemental Improvement Agreement for Construction of the East Dunne Avenue Median Improvements by Morgan Hill Developer, LLC - Trovare Subdivision.

EXECUTIVE SUMMARY: Morgan Hill Developers, LLC is the developer of a 54 lot subdivision on the south side of East Dunne Avenue west of the Hill Road intersection commonly known as Trovare Phase II. The subdivision was conditioned to install a raised landscape median across the project frontage on East Dunne Avenue. In conjunction with this work the developer was also required to reconstruct the eastbound travel lane on East Dunne Avenue since the existing pavement section was found to be substandard. All of this work is identified in the City's adopted traffic impact fee report as needed for regional benefit. Therefore, all costs associated with this work are reimbursable from Traffic Impact fees.

The total cost to construct the raised landscaped median on East Dunne Avenue and reconstruct the eastbound travel lane on East Dunne Avenue is approximately \$207,472 which includes the cost of construction staking, engineering and bonds. The City will reimburse the developer by a combination of direct reimbursement and credit of traffic impact fees for this work. The direct reimbursement shall be made from the traffic impact fee fund in the amount of \$92,830. The balance shall come to the developer in the form of a credit from the traffic impact fees owed by the development of the fifty-four lots (\$2123) for a total of \$114,642.

FISCAL IMPACT: The appropriation of \$92,830 from the current year unappropriated traffic impact fee fund balance will complete the funding for this project. The aforementioned appropriation will reduce the current year traffic impact fee fund balance by \$92,830 and will increase the 2002-2003 traffic impact fee budget from a current balance of \$180,223 to a new total of \$273,053.

Agenda Item # 4

Prepared By:

Senior Engineer

Approved By:

Public Works Director

Submitted By:

City Manager

EXHIBIT "A"

E. DUNNE MEDIAN REIMBURSEMENT

| ITEM | DESCRIPTION | QUANTITY | | UNIT PRICE | TOTAL PRICE |
|---------------------------|-------------------------------------|----------|----|-------------|----------------------------|
| 1 | Clearing & Grubbing | 1 | LS | \$13,000.00 | \$13,000.00 |
| 2 | Base Rock at Median Curb | 1,960 | LF | \$12.50 | \$24,500.00 |
| 3 | Street Pavement | 18,605 | SF | \$3.65 | \$67,908.25 |
| 4 | Traffic Control | 1 | LS | \$3,000.00 | \$3,000.00 |
| 5 | Median Curb | 1,960 | LF | \$20.80 | \$40,768.00 |
| 6 | Through Drains @ Median | 7 | EA | \$40.00 | \$280.00 |
| 7 | Landscaping Supervision | 1 | LS | \$1,100.00 | \$1,100.00 |
| 8 | 15 Gallon Trees | 47 | EA | \$92.00 | \$4,324.00 |
| 9 | Shrubs - 5 gallon | 225 | EA | \$15.20 | \$3,420.00 |
| 10 | Shrubs - 1 gallon | 358 | EA | \$5.20 | \$1,861.60 |
| 11 | Bark Mulch & Soil Preparation | 11,894 | SF | \$0.47 | \$5,590.15 |
| 12 | Irrigation | 1 | LS | \$19,684.00 | \$19,684.00 |
| 13 | Irrigation Controller (Upgraded) | 1 | LS | \$1,373.00 | \$1,373.00 |
| 14 | Excavate Existing Sleeve | 1 | LS | \$296.00 | \$296.00 |
| 15 | R&R Existing Landscape & Irrigation | 1 | LS | \$184.00 | \$184.00 |
| 16 | Clean-up Median Area | 1 | LS | \$111.00 | \$111.00 |
| CONSTRUCTION TOTAL | | | | | \$187,400.00 |
| Bond Cost | | | | | \$5,622.00 |
| Engineering and Staking | | | | | \$14,450.00 |
| GRAND TOTAL | | | | | <u>\$207,472.00</u> |



CITY COUNCIL MEETING STAFF REPORT

MEETING DATE: JULY 17, 2002

TITLE: AMEND PROFESSIONAL SERVICES CONTRACT FOR PRELIMINARY ARCHITECTURAL DESIGN OF THE COMMUNITY INDOOR RECREATION CENTER

RECOMMENDED ACTION(S): Approve the attached scope of work from Noll & Tam Architects for additional Preliminary Architectural Design Services in an amount not to exceed \$21,835 and authorize the City Manager to amend the existing professional services agreement.

EXECUTIVE SUMMARY: On September 5, 2001, City Council authorized the City Manager to negotiate a consultant services agreement with Noll & Tam Architects to provide Preliminary Architectural Design Services for the Community Indoor Recreation Center in an amount not to exceed \$195,281. This cost included \$14,615 for programming development and public presentations. The contract also included a \$12,180 contingency.

Preliminary design services began in September of 2001 involving meetings with the Parks and Recreation Commission, Senior and Youth Advisory Committees, and the public regarding the identification of programming and space needs for the building. These needs were balanced along with consideration for identifying an appropriate level of capital expenditure while optimizing cost recovery through programming. These discussions resulted in the recognition that the budget for this project was not adequate to meet the identified youth and senior needs while maximizing cost recovery through programming. Recommendations from the Parks and Recreation Commission to Council including numerous staff presentations provided Council with the information on which it based a decision in February 2002 to re-appropriate Redevelopment Agency Funding expanding the overall budget for the Community Indoor Recreation Center from \$7 to \$26.2 million.

During the time work was proceeding on the identification of programming space needs, the Mt. Madonna YMCA began discussions with staff regarding their desire to operate programming in the new building. This made the programming discussions more complex, and beginning in November 2001, these discussions were conducted before Council. Much effort was required of both Noll & Tam Architects and other consultants to provide staff accurate information and facilitate Council and community presentations throughout this process.

Staff required Noll & Tam Architects to provide programming and community facilitation services relative to the efforts described above that resulted in costs exceeding those included within the contract. These costs are shown on the attached letter from Noll & Tam Architects dated May 7, 2002. Available contract contingency was expended to meet these costs, however, services were needed beyond the contract contingency in the amount of \$16,835. The total request for additional services includes a \$5,000 allowance to complete programming and community facilitation. Staff finds these additional charges accurate and the \$5,000 necessary. Actual charges relative to the \$5,000 allowance will be expended on an as-needed basis only. These costs are shown on the attached May 7, 2002 letter from Noll & Tam Architects.

Amending the contract for Preliminary Architectural Design Services at this time is relative to the existing contract. Staff will be returning in August to Council to present recommendations regarding Architectural Services for the Community Indoor Recreation Center relative to the expanded project budget of \$26.2 million.

FISCAL IMPACT: This project is funded as part of the Capital Improvement Program Budget. Sufficient funds exist for the proposed contract amendment for Noll & Tam Architects in the amount of \$21,835.

Agenda Item # 5

Prepared By:

**Deputy Director of
Public Works**

Approved By:

Public Works Director

Submitted By:

City Manager



CITY COUNCIL STAFF REPORT
MEETING DATE: JULY 17, 2002

COMMUNITY AND CULTURAL CENTER PROJECT
JUNE CONSTRUCTION PROGRESS REPORT

RECOMMENDED ACTION(S): *Information only.*

EXECUTIVE SUMMARY: Previous Council action awarded the contract for construction of the Community Center Project to DPR Construction, Inc. At that time, staff informed Council that we would report monthly on the progress of the construction. Attached is the progress report for the month of June. This report has been sent to our webmaster for posting on the City's website. Currently, the project is approximately seven weeks behind schedule due to delays in the structural steel delivery, as well as a delay in the window delivery. The contractor is re-sequencing some construction activities in an effort to recoup a portion of those delays. The project is currently within budget; however, pending change requests as well as the additional compensation to be paid the design team indicates that the project budget will require additional funding. At this time it is estimated an additional \$260,000 will be needed to augment the construction contingency funds for this project. Recently, staff presented the Council subcommittee additional value engineering items to further reduce project costs which were determined to be not acceptable.

Completion of the construction contract is expected near the end of November 2002; however, we are encouraging the contractor to provide City occupancy of certain portions of the building for scheduled events in November.

FISCAL IMPACT: None at this time.

Agenda Item # 6

Prepared By:

Project Manager

Approved By:

Public Works Director

Submitted By:

City Manager



CITY COUNCIL STAFF REPORT

MEETING DATE: July 17, 2002

DEVELOPMENT IMPACT FEE INFLATIONARY AUTOMATIC INCREASE

RECOMMENDED ACTION: No action recommended at this time.

EXECUTIVE SUMMARY: Pursuant to Chapter 3.56 of the Morgan Hill Municipal Code, on July 1st of each year, an automatic adjustment on all Development Impact Fees shall be imposed by a percentage equal to the Engineering News Record Construction cost Index (ENRCCI). The ENRCCI increased by 3.1% from March 2001 to March 2002.

Normally, staff reports the change in the ENRCCI and recommends that the Council adopt a resolution adjusting the fees accordingly. However, due to the pending issue of adjustment to Development Impact fees, as proposed by the City's consultant, Maximus, staff recommends Council take no action on this increase at this time. Should the Council choose to either defer or not implement the fee increases recommended by Maximus, staff will return to Council and present a recommendation to adjust the fees per the ENRCCI.

FISCAL IMPACT: None at this time.

Agenda Item # 7

Prepared By:

Deputy Director-PW

Approved By:

Public Works Director

Submitted By:

City Manager



CITY COUNCIL STAFF REPORT
MEETING DATE: JULY 17, 2002

**APPROVAL OF RIGHT-OF-WAY PURCHASE AGREEMENTS FOR
BUTTERFIELD EXTENSION, PH IV PROJECT (APN: 817-57-012)**

RECOMMENDED ACTION: Authorize the City Manager to execute purchase agreements with the owners of APN 817-57-012 for total compensation of \$329,072 plus escrow and closing costs for the acquisition of this property.

EXECUTIVE SUMMARY: As Council is aware, staff has been working on acquiring right-of-way for the next phase of Butterfield Boulevard from San Pedro to Tennant Avenue. There are a total of twelve properties which need to be acquired for the completion of this segment of Butterfield Boulevard. Excluding the subject property, there are four properties remaining to be acquired.

Cutler & Associates, Inc. has served as our real estate and property acquisition consultant for all the existing sections of Butterfield from Morgan Hill Business Park to San Pedro. Staff and Cutler & Associates, Inc. have been negotiating with the property owners. Offer letters were forwarded to the property owners in the full amount of the appraised value, after reviewing title reports and Hazardous Material Site surveys for all properties.

The City has reached agreement with one additional property owner at this time (see Exhibit "A" for summary of the acquisition cost for this property and Exhibit "B" for map of property). Although all the property owners expressed their support for the completion of this project, there are some issues which need to be resolved prior to reaching agreement with the remaining property owners. Staff is hopeful that our offers will be accepted and we can report to City Council in the near future and ask Council to approve those remaining purchases.

The plans and specifications for this project are near completion and the project can be out to bid by October of 2002. It remains our goal to begin the construction of this project this summer, but that is contingent upon our ability to acquire the right-of-way. Based on this time schedule, it is anticipated that the construction of this phase of Butterfield Boulevard will be complete by summer of 2003.

FISCAL IMPACT: Funding for this project is carried over from FY 01/02 Capital Improvement Program (CIP) Budget, Project #504D00 with a total appropriation of \$3,290,000 for right-of-way acquisition. Construction funding exists in the current year budget.

Agenda Item # 8

Prepared By:

Senior Civil Engineer

Approved By:

Public Works Director

Submitted By:

City Manager

EXHIBIT A

| PROPERTY APN # | PROPERTY OWNER | PURCHASE AMOUNT | ESCROW & TITLE INSURANCE COSTS | TOTAL |
|-------------------|-----------------------------|--------------------|-----------------------------------|-----------|
| 817-57-012 | SUTTER COURT DEVELOPMENT | \$ 329,072 | \$3,000 | \$332,072 |



CITY COUNCIL STAFF REPORT

MEETING DATE: July 17, 2002

Agenda Item # 9

Prepared By:

Asst. to the City Mgr.

Submitted By:

City Manager

YEAR END REPORT ON 2001-02 Workplan

RECOMMENDED ACTION:

Accept report.

EXECUTIVE SUMMARY:

Attached is the year end report on the Fiscal Year 2001-02 workplan. As you know, the workplan is comprised of special projects undertaken by departments, beyond regular and routine responsibilities. Several of the high-priority projects identified by Council are included in the workplan, as are major construction projects such as the Community and Cultural Center, the Indoor Recreation Center, the Aquatics Center, and other important capital improvement program (CIP) projects.

This report documents significant achievements attained by each department in FY 2001-02, which are highlighted in a narrative in Attachment B. You will also note that some projects, such as the urban design and gateway plans, the facilities management study, the employee recruitment and retention committee, and facility improvements at Public Works are being carried over to FY 2002-03. This is due to several factors. Over the course of the year, new priorities have emerged which have delayed completion of certain projects. In addition, key staff positions, such as the Senior Planner and Deputy Director of Public Works, Engineering have been vacant, which has affected project completion. In some cases, coordination with outside agencies has required additional time. In other cases, project timelines were adjusted so that costs would be spread over two years, such as with the purchase of new office productivity software throughout the City. In a few situations, projects have been removed from the workplan. These are noted on the workplan report.

Overall, however, substantial progress has been attained on the 2001-02 workplan. Staff will continue to work on the remaining projects as well as the new projects identified in the 2002-03 workplan, reporting back quarterly on our progress.

FISCAL IMPACT:

No budget adjustment required.

HIGHLIGHTS FROM THE 2001-02 Workplan

Business Assistance and Housing Services

Major accomplishments included the restoration of the old Morgan Hill Elementary School which is almost complete. Carden Academy held their graduation and an open house at the facility. Construction has begun on the Community Playhouse, and the Agency has approved a purchase agreement to acquire property at Diana and Butterfield for the Morgan Hill Courthouse.

In terms of economic development, the Agency approved an agreement with the Morgan Hill Downtown Association to establish and implement a Main Street program. The development of additional new economic development programs will be completed as various studies are finished, including the update to the downtown plan and burrowing owl study. Some projects, such as the Sister City program, were carried over to the 2002-03 workplan. Other 2001-02 projects were folded into projects identified in the 2002-03 workplan. These include the Industrial Development Study, which will be tied to the Economic Development strategy to be developed in the 2002-03 workplan, and the landbanking program, which will be incorporated in the 2002-03 Housing Strategy.

City Clerk's Office

Two important technology-related projects were completed in FY 2001-02. Clerk's Office staff scanned City Council minutes, ordinances and resolutions for easy electronic retrieval. In addition, abbreviated agenda packets and staff reports are now available on the City's website. Staff also worked with the Council to define office space needs for the Council at City Hall. Further work on this project will be completed through the 2002-03 workplan.

City Manager's Office

Highlights from the City Manager's Office workplan include the development of a new City Logo, work with community groups on a City beautification day and on resolution of the day laborer issue, completion of a fleet management study, and completion of the Fire Master Plan and recommended implementation strategy.

Community Development: Building Division

Two major focus areas for the Building Division were significant building maintenance projects at City facilities and online permitting. With the exception of the Public Works building improvements, all of the building maintenance projects were completed on schedule. The Public Works improvements will be completed as soon as the building remodeling is complete.

In terms of online permitting, the Building Division had anticipated adding the Internet module for the Tidemark database in 2001-02. However, as staff investigated the implementation of this module, they determined that the current Tidemark software program does not support e-connect very well. Other jurisdictions have had significant problems with Tidemark's Internet module and therefore are not able to fully support online permitting. Staff continue to be actively involved with Bay Area Smart Permitting and we will continue to monitor Tidemark's improvements. Staff supports e-government and smart permitting as a service to our customers, and in 2002-03 will continue to assess the feasibility of implementing this service.

Community Development: Planning Division

The Division completed a comprehensive update of the Housing Element of the General Plan. Once final comments are received from the State Housing and Community Development Department, staff will send the completed document to the City Council for adoption. Related to the Housing Element is the appointment of a committee to amend the City's Residential Development Control System (Measure P). Proposed amendments are to be submitted to the voters for approval in November 2003. The update and extension of Measure P is included in the Division's workplan for FY 2002-03.

The Murphy Corridor Study was added to the Division's workplan following adoption of the General Plan on July 25, 2001. The study will include a comparison and evaluation of various street alignment and land use alternatives for the Murphy Avenue corridor from Dunne Avenue to north of Cochrane Road. The Final Report will be completed in January 2003.

In January 2002, the Division was able to begin work on other planning initiatives contained in the 2001-02 workplan. These include the development of scenic gateway guidelines, updates to the City's Design Review Ordinance and Architectural Review Handbook, and an update of the Downtown Design Plan. Each of these projects is scheduled to be completed in December 2002.

Finance

The establishment of a strategic financial plan laid the foundation for the City's long-term financial health. The plan is comprised of a ten year financial forecast for the General Fund and five year financial forecasts for other major operating and capital funds. In addition, the plan incorporates financial policies, including a proposed reserve and designation policy.

Also, the City's budget document was improved through re-formatting for ease of use and through incorporating performance measures to measure the effectiveness and efficiency of operations. The Finance Department compiled a procedures manual to document essential steps in managing the City's financial resources, to better protect those resources, and to operate more efficiently.

In addition, staff prepared a plan to implement GASB 34, which will require significant changes to the City's financial statements, beginning with the 2002-03 statements. The details of the plan will not be completed until September 30, 2002, as described in the 2002-03 workplan, because of the time and inter-departmental coordination needed to make certain infrastructure and fixed asset decisions.

Human Resources

Highlights from the Human Resources Division include the creation of the Employee Recruitment and Retention Committee, whose work will continue in FY 2002-03, the implementation of a new recognition program, and the development of the Illness and Injury Prevention Program.

IT Management

Major accomplishments for the City's IT Management function in 2001-02 are the redesign of the City website, the development of an e-mail retention policy, and a determination to change the City's standard software to the Microsoft Office suite. This software purchase was spread over two years to minimize the budgetary impact of this purchase.

Police

In the past year the Police Department has made progress on the creation of a new Police facility. A purchase agreement for property at Diana Avenue and Butterfield Boulevard was completed July 3, 2002, however there is a lengthy escrow period which will not be complete until May 30, 2003.

As noted in workplan report, foot patrol increased over 2001-02 levels. However, bike patrols did not increase because staffing needs required bike patrol-trained members be assigned to other duties.

Another key project for the department was participation in county-wide communication compatibility projects. At this point staff has completed all that it can in support of this project, however, Santa Clara County and their consultant are reevaluating the design requirements. As a result the project will not be completed on the timeline originally envisioned.

Public Works

In FY 2001-02 the Department completed Master Plans for water, wastewater and storm drainage functions, developed an electronic CIP and major project tracking system, and supervised construction of the Community and Cultural Center and Community Playhouse.

Some projects were delayed, such as completion of the Master Plan for the Public Works facility which awaits a decision by the Morgan Hill Unified School District to prepare a joint study. The Department has acquired right of way on eight of the twelve properties required to extend Butterfield Boulevard from San Pedro to Tennant. The property acquisition process for the remaining four properties is ongoing. The completion of the Plan Line studies for Santa Teresa, Butterfield South and Butterfield North was delayed when the prior Deputy Public Works Director/City Engineer left the City.

Recreation

The interim BMX park was developed, the Recreation website was improved, and progress was attained on the Indoor Community Recreation Center, the Aquatics Complex, and the Sports Complex.

Given low attendance at the after-school program at Britton, the division cancelled Britton's program in favor of offering an expanded program at Village Avante. The Village Avante program regularly attracts 20 youth. The Division also implemented a mobile recreation van birthday party program, and subsequently revised it for the summer of 2002.



REDEVELOPMENT AGENCY STAFF REPORT

MEETING DATE: July 17, 2002

TITLE: CONSULTANT AGREEMENT WITH BENCHMARK

RECOMMENDED ACTION(S):

1. Authorize the Executive Director to execute a Consultant Services Agreement with Benchmark, for FY 02-03 in an amount not to exceed \$520,000, to provide project management services and lead testing for housing improvement programs, subject to City Attorney review.

EXECUTIVE SUMMARY: For the past two years, the Agency has approved a Consultant Services Agreement Contract with Benchmark to provide project management services and lead testing for housing improvement programs: Senior Housing Repair Program (SHRP), Mobile Home Repair Program (MHRP) and the Paint Program.

Benchmark has performed to our expectations with overwhelmingly positive comments from grant participants. During FY 01-02 Benchmark managed 120 grants worth \$442,000 with an administration fee of \$66,000. Staff recommends continued use of Benchmarks consultant services for FY 02-03 to provide project management services and lead testing for housing improvement programs. The FY 02-03 contract would be for \$520,000 which should avoid any cost overruns. This will allow \$450,000 for direct program repair costs and \$70,000 in administration fees (15% fee for management of the programs). Last year's contract was for \$690,000 but we expect less expenditures this year.

FISCAL IMPACT: FY 02-03 budget has \$520,000 allocated for these housing improvement programs under the Housing Division's budget.

Agenda Item # 10

Prepared By:

**Housing Rehab
Coordinator**

Approved By:

BAHS Director

Submitted By:

Executive Director



CITY COUNCIL STAFF REPORT

MEETING DATE: July 17, 2002

ANNEXATION AND ZONING AMENDMENT

APPLICATIONS, ANX-02-02 & ZA-02-02: COCHRANE-BORELLO II

RECOMMENDED ACTION(S):

1. Open public meeting/Continue to the July 31, 2002, Special City Council meeting

Agenda Item # 11

Prepared By:

Planning Consultant

Approved By:

**Community
Development Director**

Submitted By:

City Manager

EXECUTIVE SUMMARY:

A request for approval to annex and pre-zone approximately 16-acres from County A-20S to City R1-20,000 (single-family low density residential) east of Peet Road, between Cochrane Road and Half Road.

This item was placed on the agenda for the July 17 City Council meeting and the owner, applicant, agent, and surrounding property owners were mailed notices of the meeting. However, this item was not published in the newspaper within the required minimum ten day notice. Therefore, it may not be heard at this time.

The proposal will be properly noticed for the July 31, 2002, City Council meeting.

FISCAL IMPACT: None. Filing fees were paid to cover the cost of processing this application.



CITY COUNCIL STAFF REPORT

MEETING DATE: July 17, 2002

APPEAL OF SUBDIVISION APPLICATION SD 01-04:

McLAUGHLIN-JONES

RECOMMENDED ACTION(S):

1. Open Public Hearing
2. Continue to the August 21, 2002 meeting.

EXECUTIVE SUMMARY:

On April 17, 2002, the City Council considered a zoning and subdivision request for a proposed 9-lot development on a 2.16 acre site located on the east side of McLaughlin Ave., north of E. Central Ave. west of the railroad tracks. The Council denied the zoning application (4-0-1 vote). At the same meeting the Council took no action on the subdivision request, thereby concurring with the Planning Commission's decision to deny the corresponding subdivision map. The applicant is appealing the Planning Commission's denial of the subdivision map (see attached letter).

Pursuant to Municipal Code Section 17.20.130 the City Council must consider the appeal within 30 days or at its first regular meeting unless the subdivider consents to a continuance. The appeal hearing was scheduled for the Council's June 26 meeting and was continued at the applicant's request to the July 17, 2002 meeting. The applicant is requesting additional time to prepare for the appeal hearing. Staff therefore recommends a further continuance to the August 21, 2002 City Council meeting.

FISCAL IMPACT: None. Filing fees were paid to the City to cover the cost of processing this application.

Agenda Item # 12

Prepared By:

Planning Manager

Approved By:

**Community
Development Director**

Submitted By:

City Manager



CITY COUNCIL STAFF REPORT

MEETING DATE: July 17, 2002

ADJUSTMENTS TO DEVELOPMENT

IMPACT FEES

RECOMMENDED ACTIONS:

1. Open and close Public Hearing
2. Adopt the Resolution
3. Direct staff to return to City Council within one year concerning the proposed Community & Recreation Centers Impact Fee and Library Impact Fee

EXECUTIVE SUMMARY: On May 22, staff and the City's consultant, Maximus, presented proposed changes to development impact fees to the City Council. The consultant reviewed the various master plans available to the City and determined the appropriate fee, based upon demand data, necessary to recover the full cost of necessary specific capital improvements for each fee, to the extent that these projects benefit new residential, commercial, and industrial development. In addition, although not legally required, at staff's direction, the consultant reduced certain impact fee calculations due to other funding sources. The existing fees that have been reviewed are General Government Facilities, Libraries, Traffic, Police, Fire, Parks, Local Drainage, Sewer, & Water. The consultant also proposes new fees for Community & Recreation Centers and for Open Space. Staff recommends that these new fees not be adopted at this time and that staff return within one year with more detailed information concerning the Sports Complex (Sports Fields), so that the Community & Recreation Centers impact fee may be reconsidered at that time.

On June 26, the City Council opened a public hearing on proposed fee adjustments and continued the public hearing on development impact fees until July 17. The hearing was re-noticed for that date. Attached is a staff report providing information in response to questions raised by the City Council and public on June 26. Staff recommends that adjustments to fees be implemented effective 1/6/03. However, for residential projects, developers should be allowed to prepay at existing rates prior to January 6 if they have Measure P allotments, but would owe additional incremental fees for subsequent extensions. For commercial and industrial projects, staff recommends that applicants who submit a complete set of building plans for plan check also be allowed to prepay impact fees at existing rates. However, they would pay additional incremental impact fees if their permits were extended. Also, for "shell" buildings, where tenant improvements have not been installed, the Council asked us to evaluate the impact of allowing applicants to pay existing fees for sewer

& traffic impact fees when the improvements are installed if installed within a reasonable period of time, such as by 6/30/04. This might cost the City \$1 million in lost impact fees.

As proposed, the total impact fees for a single family home would increase by 54% from \$13,550 to \$20,860, as shown on the attached schedule. It is recommended that the Library fee not be updated, at this time, until the outcome of the City's Proposition 14 grant application is known, as available revenues cannot be precisely calculated until then. Attached are the two consultant reports concerning fees. The first report covers all fees except Sewer and Water, while the second describes the Sewer and Water connection fees. Attached for Council consideration is a Resolution adjusting the amounts of the development impact fees. The City has not yet received an anticipated joint recommendation concerning impact fees from the Chamber of Commerce's Economic Development Committee and Home Builders Association.

FISCAL IMPACT: If the City Council adopts the proposed fees, the City would collect from new development the cost of new facilities to the extent that the facilities benefit new development. The amount to be collected from future development, as projected until build-out, for the eight impact fees with proposed adjustments would be nearly \$195 million. However, this amount could be reduced by as much as \$5.4

Agenda Item # 13

Prepared By:

Finance Director

Submitted By:

City Manager

million if all potentially eligible projects took advantage of the proposed prepayment options. However, it is not likely that all projects would prepay. This shortfall would need to be picked up by other funding sources and could not be charged to future development.

RESOLUTION NO. 5592

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL RESCINDING RESOLUTIONS 5497 AND 5498, REGARDING DEVELOPMENT IMPACT FEES, AND ADOPTING INCREASED DEVELOPMENT IMPACT FEES

WHEREAS, new development within the City of Morgan Hill will result in additional population and business growth, and such growth will place additional burdens on various city facilities, infrastructure and services, requiring construction of expanded and/or new city facilities and services; and,

WHEREAS, all development within the City of Morgan Hill should bear a proportionate financial burden in the construction and improvement of public facilities and services which are necessary to serve the growth engendered by such development; and,

WHEREAS, the imposition of development impact fees is one of the preferred methods of ensuring that new development bears its proportionate share of the cost of public facilities and service improvements; and,

WHEREAS, imposition of impact fees to finance public facilities and service improvements required by new development is necessary in order to avoid adversely impacting existing facilities and services; and,

WHEREAS, consistent with these principles, Chapter 3.56 of the Municipal Code of the City of Morgan Hill establishes Development Impact Mitigation Fees; and,

WHEREAS, Section 3.56.060 of the Municipal Code of the City of Morgan Hill provides for revision of established fees, including increases, by resolution; and,

WHEREAS, Resolutions 5497 and 5498, as adopted by the City Council, have set various fee rates for development impact fees; and,

WHEREAS, the City Council of the City of Morgan Hill has received and duly considered the report entitled "Development Impact Fee Study," dated May 9, 2002, authored by DMG Maximus, and the "Water and Sewer Rate and Connection Fee Study" dated May 17, 2002, by Hilton Farnkopf & Hobson, LLC ("Hilton") ; and,

WHEREAS, the DMG Maximus and Hilton reports analyzed the City's existing land use patterns and zoning, and the goals and objectives of the City's general plan; and,

WHEREAS, the DMG Maximus and Hilton reports determined the public facilities and service improvements engendered by anticipated future development in light of the General Plan and existing and projected land use patterns and zoning; and,

WHEREAS, as the DMG Maximus and Hilton reports demonstrate, the development impact fees established by this resolution are based upon estimated costs for new public facilities and service improvements, which will be required, incrementally, by new development within the City; and,

WHEREAS, as the DMG Maximus and Hilton reports demonstrate, the development impact fees established by this resolution do not exceed the reasonable cost of providing public facilities and service improvements occasioned by development projects within the City; and,

WHEREAS, the fees established by the DMG Maximus and Hilton reports rationally relate to the reasonable cost of providing public facilities occasioned by the development projects and service improvements within the City; and,

WHEREAS, a public hearing on adoption of this resolution and the fees outlined in Exhibit A attached hereto was noticed pursuant to and in compliance with Government Code sections 6062(a), and set as part of a special City Council meeting held on June 26, 2002, and again as part of a regularly scheduled City Council meeting held on July 17, 2002, at 7:30 p.m. in the Council chambers located at City Hall, 17555 Peak Avenue; and,

WHEREAS, the DMG Maximus and Hilton reports, as well as all material supplementary thereto, and all background data referenced in the reports, were available for public inspection and review at the City Clerk's office of the City of Morgan Hill; and,

WHEREAS, the City Council has received and duly considered all written and verbal comments provided to it by staff and the public, which comments are hereby incorporated into the record on this matter; and,

WHEREAS, the City Council deems it necessary that development impact fees be adjusted to ensure that new development in the city pays its proportionate share of public facilities and service improvements necessary to accommodate such development in order to promote the public health, safety and welfare; and,

WHEREAS, the City Council hereby incorporates the findings made in Municipal Code section 3.56.010, and applies them in support of the adoption of this Resolution.

NOW, THEREFORE, the City Council of the City of Morgan Hill, based upon all documents, statements and facts known to the City, does hereby resolve:

SECTION 1. Rescission of Prior Resolutions. Resolutions 5497 and 5498 are hereby rescinded.

SECTION 2. Findings. The City Council hereby finds as follows:

- A. All provisions set forth above are true and correct, and are hereby incorporated herein as findings of this Council by reference.
- B. The purpose of the fees set forth herein is to finance public facilities, including streets and traffic mitigation measures, and to reduce the impacts of development on public services and facilities caused by new development.
- C. The capital facility fees collected pursuant to this Resolution shall be used to finance only the public facilities and services described or identified in Exhibit A, attached hereto, to which the specific fee relates.
- D. There is a need for public facilities which have not yet been constructed and are required to be constructed to be consistent with the City's General Plan, and to protect the public's health, safety and welfare.
- E. The facts and evidence presented to the City Council establish that there is a reasonable relationship between the need for the described public facilities and the impacts from the type of development described to the City Council for which the corresponding fee is charged.
- F. The facts and evidence presented to the City Council establish that the cost estimates set forth are reasonable costs estimates, and the fees expected to be generated by new development will not exceed these costs.
- G. The fees set forth herein are consistent with the City's General Plan and the Council has considered the effect of the fees on the City's housing needs, as established in the Housing Element of the General Plan, and the regional housing needs.
- H. Based on the evidence submitted to the Council, the contributions made in the context of the Measure P competition are voluntary in nature and are not duplicative of the impact fees.

SECTION 3. Adoption of Fees. Therefore, development impact fees for the City of Morgan Hill are established as stated in Exhibit A, which is attached hereto and incorporated by reference.

SECTION 4. Implementation Dates. The City Council hereby orders that all increases in development impact fees be effective January 6, 2003. The City Council finds that this delay in implementation is necessary to (1) encourage the economic well-being of the community through

proactive initiatives which leverage private sector investment and involvement, namely lessening some of the cost impacts on projects, and (2) to allow developers certainty in the development process. The City Council further finds that the following guidelines are necessary for proper administration of the fees, and shall be applied by City staff.

- A. Residential Development: Prior to the implementation dates for the development impact fees stated in Exhibit A, developers which have Measure P allotments may prepay all impact fees for those allotments. If extensions of those original allotments are obtained, applicants must pay the fees in effect when the building permits are issued.
- B. Commercial/Industrial Development: Applicants that have submitted a complete set of building plans, as determined in the discretion of the Building Official, prior to implementation dates for the development impact fees stated in Exhibit A, may prepay impact fees at the rates in existence prior to the implementation date. Applicants that allow building permits to expire will be required to pay the rates in effect when building permits are re-issued.

SECTION 5. Automatic Annual Adjustment. Each fee fixed herein shall be adjusted automatically on July 1st of each fiscal year, beginning on July 1, 2003, consistent with Section 3.56.050 of the Municipal Code.

SECTION 6. Refunds, Exemptions, Credits, and Adjustments. Refunds, exemptions, credit and adjustments to payment of impact fees shall be made and/or calculated in accordance with the applicable provisions of Chapter 3.56 of the Municipal Code.

SECTION 7. Chapter 3.56. The provisions of this resolution are subject and subordinate to the provisions of Chapter 3.56 of the Municipal Code, and shall at all times be construed and applied consistent therewith, as the same presently exists or from time to time be hereafter amended.

SECTION 8. Challenges to Resolution. Any judicial action or proceeding to attack, review, set aside or annul this resolution or any provision thereof shall be brought within one hundred and twenty (120) days of its adoption by the City Council.

SECTION 9. Exemption from CEQA. Pursuant to Title 14, California Code of Regulations, Sections 15061 and 15273(4), the City Council finds that this resolution is exempt from the California Environmental Quality Act.

SECTION 10. Severability. If any portion of this Resolution is declared invalid by a court of competent jurisdiction then it is the intent of the City Council that all other portions of the Resolution shall be severed and remain in full force and effect.

PASSED AND ADOPTED by the City Council of Morgan Hill at a Regular Meeting held on the 17th day of July 2002, by the following vote.

| | |
|-----------------|-------------------------|
| AYES: | COUNCIL MEMBERS: |
| NOES: | COUNCIL MEMBERS: |
| ABSENT: | COUNCIL MEMBERS: |
| ABSTAIN: | COUNCIL MEMBERS: |

CERTIFICATION

I, **IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA**, do hereby certify that the foregoing is a true and correct copy of Resolution No. 5592, adopted by the City Council at the Regular Meeting on July 17, 2002.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk

| Fee Description | Proposed Fee |
|-----------------------------|-------------------------------|
| Water | |
| Single Family Residential | \$ 1,769.00 per dwelling unit |
| Multi Family Residential | \$ 1,596.00 per dwelling unit |
| Commercial (Retail) | \$ 5,021.00 per acre |
| Industrial | \$ 5,021.00 per acre |
| Sewer | |
| Single Family Residential | \$ 8,026.00 per dwelling unit |
| Multi Family Residential | \$ 6,793.00 per dwelling unit |
| Commercial (Retail) | \$ 27.45 per gallon |
| Industrial | \$ 27.45 per gallon |
| Public Facilities | |
| Single Family Residential | \$ 466.00 per dwelling unit |
| Multi Family Residential | \$ 381.00 per dwelling unit |
| Commercial (Retail) | \$ 2,118.00 per acre |
| Industrial | \$ 1,412.00 per acre |
| Library | |
| Single Family Residential | \$ 216.00 per dwelling unit |
| Multi Family Residential | \$ 181.00 per dwelling unit |
| Traffic Impact | |
| Single Family Residential | \$ 2,811.00 per dwelling unit |
| Multi Family Residential | \$ 1,968.00 per dwelling unit |
| Commercial (Retail) | \$ 2,811.00 per pk hr trip |
| Industrial | \$ 2,811.00 per pk hr trip |
| Police | |
| Single Family Residential | \$ 164.00 per dwelling unit |
| Multi Family Residential | \$ 596.00 per dwelling unit |
| Commercial (Retail) | \$ 3,607.00 per acre |
| Industrial | \$ 403.00 per acre |
| Fire | |
| Single Family Residential | \$ 447.00 per dwelling unit |
| Multi Family Residential | \$ 174.00 per dwelling unit |
| Commercial (Retail) | \$ 1,340.00 per acre |
| Industrial | \$ 1,340.00 per acre |
| Park Improvement | |
| Single Family Residential | \$ 1,338.00 per dwelling unit |
| Multi Family Residential | \$ 1,094.00 per dwelling unit |
| Park In Lieu-Subdivision | |
| Single Family Residential | \$ 3,960.00 per dwelling unit |
| Multi Family Residential | \$ 3,240.00 per dwelling unit |
| Park In Lieu-No Subdivision | |
| Single Family Residential | \$ 2,493.00 per dwelling unit |
| Multi Family Residential | \$ 2,040.00 per dwelling unit |
| Local Drainage | |
| Single Family Residential | \$ 1,649.00 per dwelling unit |
| Multi Family Residential | \$ 974.00 per dwelling unit |
| Commercial (Retail) | \$ 9,992.00 per acre |
| Industrial | \$ 9,992.00 per acre |



CITY COUNCIL STAFF REPORT

MEETING DATE: July 17, 2002

ADJUSTMENTS TO USER FEES, SERVICE CHARGES, AND MISCELLANEOUS UTILITIES FEES

RECOMMENDED ACTIONS:

1. Open & close Public Hearing
2. Adopt the Resolution
3. Direct staff to return to City Council within one year concerning potential further adjustments to planning, building, and engineering fees

Agenda Item # 14

Prepared By:

Finance Director

Submitted By:

City Manager

EXECUTIVE SUMMARY: On May 22, staff and the City's consultant, Maximus, presented proposed changes to User Fees, Service Charges, and Miscellaneous Utilities Fees, in the categories of Planning, Building, Engineering, Police, Recreation, Finance, City Clerk, and Miscellaneous Utilities fees. The consultant determined the fee that is necessary to recover the estimated cost incurred by the City for each activity for which the City proposes to charge the public. On June 26, the City Council opened a public hearing on these proposed fee adjustments and heard from the public. The City Council then continued the public hearing on these fees until July 17. The public hearing was re-noticed for that date.

As proposed, most fees would increase, while certain fees would decrease. The fees that are associated with the largest increase are for Planning, Building, and Engineering. Collectively, these fees currently bring into the Community Development Fund \$2,023,137 in an average year. However, these fee types account for \$3,370,661 in costs, causing a \$1,347,524 annual loss. The consultant calculates that to recover these costs, Planning fees would increase by 129%, Building fees by 41%, and Engineering fees by 55%. In general, City practice has been to establish a policy regarding the percentage of costs borne in providing regulation, products, or services, and allow the City Manager to determine the actual percentage of costs. Current City policy, as stated in Municipal Code Chapter 3.50, is to recover 100% of costs reasonably borne in providing regulation, products, or services, with certain exceptions. For those Building fees referenced in the UBC tables, which are most Building fees, staff proposes that the fees be adjusted to the 1997 UBC table amounts, which would provide for full cost recovery. Currently, the City uses the 1991 UBC tables, plus an 8% factor. Most other cities use the 1997 UBC tables. Due to the pendency of the development processing audit, which may identify economic efficiency measures which could be implemented to reduce fee rates, staff recommends that instead of the large increases necessary to bring certain planning fees, building fees not calculated on the UBC tables, and engineering fees to the 100% mark, an increase of approximately 20% be instituted, and staff be directed to return following completion of the development processing audit with a more detailed assessment as to whether the large increases currently recommended can be reduced.

Attached is a Resolution adjusting the amounts of the fees. Also attached is the consultant's report, describing methodology, proposed full cost recovery, and staff proposed fees. Staff recommends that the new fee adjustments be implemented effective September 17, 2002, and that all applicants who file complete applications by September 16 be allowed to pay existing fees at the time they obtain their building permits.

FISCAL IMPACT: If the City Council adopts all proposed fees, the City would more accurately recover its costs and, in general, collect from those using City services the full cost incurred by the City, except for Planning, certain Building, and Engineering. *If these limited increases are not adopted, it would be necessary to reduce the proposed 2002/03 Community Development Fund budget.* For each 30 days that proposed fee adjustments are delayed, the City would lose each month approximately \$4,000 for the General fund, \$43,000 for the Community Development Fund, and \$3,000 for the Sewer & Water Operations Funds.

RESOLUTION NO. 5591

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL RESCINDING RESOLUTION NO. 5128 AND ESTABLISHING FEES AND SERVICE CHARGES PURSUANT TO TITLE 3, CHAPTER 3.50, OF THE MORGAN HILL MUNICIPAL CODE

WHEREAS, on September 7, 1988, the City Council of the City of Morgan Hill adopted Ordinance No. 880, N.S., codified as Chapter 3.50 of the Morgan Hill Municipal Code, which establishes city policy as to the percentage of the City's costs to be recovered from users of City services; and,

WHEREAS, consistent with Chapter 3.50, City policy is to recover the full cost of providing special services of a voluntary and limited nature, in order that general tax monies used to fund services of a broader nature, such as police and fire protection, are not diverted and thereby utilized to unfairly and inequitably fund special services; and,

WHEREAS, in order to effectuate its cost recovery policy the City Council has adopted various resolutions setting forth fees and charges, including Resolution No. 5128; and,

WHEREAS, in a report dated May 2002, by DMG Maximus, the City of Morgan Hill conducted an extensive and exhaustive analysis of its services, the costs of providing those services, the beneficiaries of those services, and the revenues produced by those paying fees and charges for those services; and,

WHEREAS, City staff has provided information regarding the costs of providing services and the analytical process used to arrive at such costs to the general public, and has held two public information sessions regarding the same; and,

WHEREAS, on June 26th and July 17th, 2002, the City Council held noticed public hearings on the fees, and duly considered all written and verbal information presented to it, which testimony and exhibits are hereby incorporated into the record of this matter.

NOW, THEREFORE, the City Council of the City of Morgan Hill, based upon all documents, statements and facts known to the City, does hereby resolve:

SECTION 1. Rescission of Resolution No. 5128. The City Council hereby rescinds Resolution No. 5128.

SECTION 2. Fee Schedule Adoption. Based upon the record before it and the findings set forth above, the City Council hereby adopts the schedule of fees and charges attached hereto and incorporated herein as Exhibit A. The City Council directs the City Manager to have appropriate

City departments apply and collect said fees for identified services.

SECTION 3. Separate Fee For Each Process; Additional Fees and Refunds. All fees set by this resolution are for each identified process or service. Additional fees shall be required for each additional process or service that is requested or required. Where fees are indicated on a per unit basis of measurement, the fee stated is for the identified unit or portion thereof within the indicated ranges of such units.

SECTION 4. Collection of Fees. The fees specified in Exhibit A shall be charged and collected beginning September 17, 2002, and thereafter. However, applicants who have submitted a complete set of building plans by August 30, 2002, as determined in the discretion of the Building Official, may prepay impact fees at the rates in existence prior to the implementation date. Applicants that allow building permits to expire will be required to pay the rates in effects when building permits are re-issued.

SECTION 5. Interpretation. This Resolution may be interpreted by the City Manager. Should there be a conflict in regards to the applicability of the fees, or the charges imposed thereunder, the City Manager is authorized to determine which fee, or combination thereof, should be applied.

SECTION 6. Severability. If any portion of this Resolution is declared invalid by a court of competent jurisdiction then it is the intent of the City Council that all other portions of the Resolution shall be severed and remain in full force and effect.

PASSED AND ADOPTED by the City Council of Morgan Hill at a Regular Meeting held on 17th day of July 2002, by the following vote.

| | |
|-----------------|-------------------------|
| AYES: | COUNCIL MEMBERS: |
| NOES: | COUNCIL MEMBERS: |
| ABSENT: | COUNCIL MEMBERS: |
| ABSTAIN: | COUNCIL MEMBERS: |

CERTIFICATION

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Resolution No. 5591, adopted by the City Council at the Regular Meeting on July 17, 2002.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk

| Service No | Account Number | Service Center | Unit | Current Fee | Proposed Fee | % of Costs Reasonably Borne to Be Recovered |
|------------|----------------|---------------------------------------|-------------|---|--|---|
| 1 | 206-38400 | Building Plan Checking | Plan | 75% Building Permit Fee for Building Department personnel. 95% of Bldg permit fee if other departments also involved. Plus fully burdened hourly rate for more than 2 initial plan checks | 75% Building Permit Fee for Building Department personnel. 95% of Bldg permit fee if other departments also involved. Plus fully burdened hourly rate* for more than 2 initial plan checks | 100% |
| 2 | 206-Various | Construction Inspection | Permit | Varies depending on UBC 1991 Table 3-A plus 8% | Varies depending on UBC 1997 Table 3-A | 100% |
| 2 B | 206-38400 | Address Numbering | Request | \$126 per parcel map \$206 per tract map-1 st 40 addresses \$5.00 each additional | \$53 per parcel map \$106 per tract map-1 st 40 addresses \$5.00 each additional | 100%*** |
| 2 C | 206-38400 | Address Renumbering | Request | \$103 | \$106 | 100%*** |
| 2 D | 206-38400 | Street Name Change Review | Application | \$652 | \$652 | 100% |
| 3 | 206-38148 | Sign Permit Review & Inspection | Application | \$298 plus \$35 for free standing structure | \$368 plus \$35 for free standing structure | 100% |
| 3 A | 206-38149 | Sign Copy Review | Application | \$29 | \$36 | 100% |
| 4 | 206-38418 | Bldg. Compliance Inspect. | Inspection | \$189 | \$126 | 100% |
| 5 | 206-38421 | Post Fire Bldg. Ins. | Inspection | \$189 | Actual time at burdened hourly rate* | 100% |
| 6 | 206-38424 | Bldg. Record Check Fees | Request | \$149 | Actual time at burdened hourly rate* | 100% |
| 6 A | 206-38427 | Preliminary Bldg. Code Review | Request | \$64 | Actual time at burdened hourly rate* | 100% |
| 6B | 206-38102 | Annexation Inspections (NEW) | Request | \$0 | \$160 | 100%*** |
| 7 | 206-38159 | Tentative Parcel Map Fee | Application | \$1,912 | \$2,363 | 100% |
| 8 | 206-38160 | Tentative Subdivision Map Fee | Application | \$3,263 | \$4,033 | 100% |
| 9 | 206-38138 | Reversion to Acreage Permits | Application | \$584 | \$722 | 100% |
| 10 | 206-38712 | Lot Line Adjustment (PW) | Application | \$612 | \$734 | 100% |
| 11 | 206-38155 | Arch & Site Plan Review | Application | \$1,729 | \$2,137 | 100% |
| 11 A | 206-38155 | Plan Detail Review | Application | Fully burdened hourly rate | Fully burdened hourly rate* | 100% |
| 12 | 206-38153 | Site Plan Review Fees | Application | \$1,328 | \$1,642 | 100% |
| 13 | 206-38154 | Conceptual Plan Review | Application | \$721 | \$892 | 100% |
| 15 | 206-38118 | Dev. Approval Amendment Non-Admin | Application | Fully burdened hourly rate | Fully burdened hourly rate | 100% |

| Service No | Account Number | Service Center | Unit | Current Fee | Proposed Fee | % of Costs Reasonably Borne to Be Recovered |
|------------|----------------|--|-------------|--|--|---|
| 15 A | 206-38119 | Dev. Approval Amendment Admin | Application | Fully burdened hourly rate | Fully burdened hourly rate | 100% |
| 16 | 206-38147 | Uniform Sign Program | Application | \$710 | \$877 | 100% |
| 17 | 206-38133 | Time Ext. Review-Non Admin. | Application | \$779 | \$962 | 100% |
| 17 A | 206-38132 | Time Ext. Review-Admin. | Application | \$177 | \$218 | 100% |
| 18 | 206-38156 | Preliminary Plan Review | Application | \$2,220 | \$2,744 | 100% |
| 19 | 206-38170 | Conditional Use Permit | Application | \$1,958 | \$2,420 | 100% |
| 20 | 206-38174 | Variance Review | Application | \$1,637 | \$2,023 | 100% |
| 20 A | 206-38175 | Variance Review-Minor Exceptions | Application | \$487 | \$602 | 100% |
| 21 | 206-38171 | Temporary Use Permit Review | Application | \$458 | \$566 | 100% |
| 21A | 206-38171 | Temporary Use Permit Amendment (NEW) | Application | N/A | \$382 | 100%*** |
| 23 | 206-38181 | Planned Unit Development | Application | \$2,524 | \$3,120 | 100% |
| 24 | 206-38182 | P.U.D. Amendment Review | Application | Fully burdened hourly rate | Fully burdened hourly rate* | 100% |
| 25 | 206-38135 | General Plan Review & Revision | Application | \$2,598 | \$3,211 | 100% |
| 26 | 206-38100 | Annexation Processing | Application | \$1,901 plus any LAFCO fees | \$2,350 plus any LAFCO fees | 100% |
| 27 | 206-38185 | Zoning Amendment Review | Application | \$1,929 \$1,288 if processed concurrently with General Plan Amendment or Annexation | \$2,384 \$1,060 if processed concurrently with General Plan Amendment or Annexation | 100% |
| 28 | 206-38186 | Zoning Text Amendment Review | Application | \$2,220 | \$2,744 | 100% |
| 29 | 206-38123 | Urban Service Area Amendment | Application | \$1,740 /City initial process \$2,999/LAFCO | \$2,150/City initial process \$3,707/LAFCO | 100% |
| 30 | 206-38125 | Initial Environmental Assessment Review | Application | \$361 +Co. Charges & Fish & Game Fees. | \$388 +Co. Charges & Fish & Game Fees | 100% |
| 31 | 206-38126 | Expanded Initial Environmental Assessment Review | Application | \$2,519 or 22% of study costs whichever is greater plus actual cost of Study and required State and County fees. | \$1,940 or 22% of study costs whichever is greater plus actual cost of Study and required State and County fees. | 100% |
| 32 | 820-21708 | Environmental Impact Review | Study | \$6,456 or 19% of study costs whichever is greater plus actual cost of Study and any required County and State fees. | \$4,656 or 19% of study costs whichever is greater plus actual cost of Study and any required County and State fees. | 100% |
| 33 | 206-38183 | Res. Planned Dev Review | Application | \$2,588 \$1,512 if processed concurrently with Tentative Subdivision or Parcel Map | \$3,199 \$1,137 if processed concurrently with Tentative Subdivision or Parcel Map | 100% |
| 34 | 206- | Res. Planned Dev Amendment | Application | Fully burdened | Fully burdened | 100% |

| Service No | Account Number | Service Center | Unit | Current Fee | Proposed Fee | % of Costs Reasonably Borne to Be Recovered |
|------------|----------------|--------------------------------------|-------------|--|---|---|
| | 38184 | Review | | Hourly rate | hourly rate* | |
| 35 | 206-38141 | Preliminary Measure "P" Review | Application | \$1,603 | \$1,981 | 100% |
| 35 A | 206-38143 | Micro Measure 'P' Admin Review | Application | \$945 | \$1,168 | 100% |
| 35 B | 206-38144 | Micro Measure 'P' Non-Admin Review | Application | \$739 | \$913 | 100% |
| 36 | 206-38142 | Final Measure 'P' Review | Application | \$3,572 | \$4,415 | 100% |
| 37 | 206-38111 | Cultural Resource Designation Review | Application | \$1,277 | \$1,578 | 100% |
| 38 | 206-38112 | Cultural Resource Alteration | Application | \$1,334 | \$1,649 | 100% |
| 39 | 206-38104 | Process Appeal-Com Board Decision | Application | \$1,133 | \$1,400 | 100% |
| 40 | 206-38105 | Process Appeal-Staff | Application | \$298 | \$368 | 100%*** |
| 41 | 206-38115 | Development Agreement Review | Request | \$813 \$497 if processed concurrently with Tentative Subdivision or Parcel Map. | \$1,004 \$614 if processed concurrently with Tentative Subdivision or Parcel Map. | 100% |
| 42 | 206-38122 | Dev. Credit Trans. Admin. | Request | \$1,237 | Fully burdened hourly rate* | 100% |
| 42 A | 206-38740 | Reimbursement Agreement | Application | \$590 | \$708 | 100% |
| 43 | 206-38178 | Williamson Act. Cancel. Review | Request | \$1,110 | \$1,372 | 100% |
| 44 | 206-38187 | Zoning Conf. Review | Request | \$57 | \$71 | 100% |
| 44 A | 206-38725 | Flood Zone Review | Application | \$57 | \$65 | 100%*** |
| 45 | 206-38163 | Tree Removal Review | Application | \$49 | \$50 | 14.32%*** |
| 47 | 206-38108 | C.C. & R. Review | Application | \$154 plus fully burdened hourly rate for City Attorney review | \$191 plus fully burdened hourly rate* for City Attorney review | 100% |
| 48 | 206-38198 | Planning Consultation | Request | Fully burdened Hourly rate | Fully burdened hourly rate* | 100% |
| 48 A | 207-37912 | General Plan Maintenance | Application | A surcharge of 3% of the permit fee added to each Bldg. and Planning Permit. | A surcharge of 3% of the permit fee added to each Bldg. and Planning Permit. | 100%*** |
| 49 | 206-38734 | Eng. Plan Checking & Inspect. | Application | Fee Based on Estimated Construction costs. For est. constructions costs -up to \$100,000 = 9% -between \$100,001 and \$200,000 = 8% - between \$200,001 and \$500,000 = 7% - exceeding \$500,000 = 6% | Fee Based on Estimated Construction costs. For est. constructions costs -up to \$100,000 = 10.8% -between \$100,001 and \$200,000 = 9.6% - between \$200,001 and \$500,000 = 8.4% - exceeding \$500,000 = 7.2% | 100% |
| 49 A | 206-38719 | Engineering Services/Consultation | Request | Fully burdened Hourly rate | Fully burdened hourly rate* | 100% |
| 50 | 206-38737 | Street Vacation Review | Application | Fully burdened hourly rate plus attorney's fees | Fully burdened hourly rate plus attorney's fees | 100% |

| Service No | Account Number | Service Center | Unit | Current Fee | Proposed Fee | % of Costs Reasonably Borne to Be Recovered |
|------------|----------------|---------------------------------------|--------------|---|---|---|
| 50 A | 206-38737 | Easement Abandonment | Application | \$1,088 | \$1306 | 100%*** |
| 52 | 206-38430 | Certificate of Compliance | Request | \$789 | \$947 | 100% |
| 55 | 206-38703 | Encroachment Rev. & Insp. | Permit | \$132 per permit plus fully burdened hourly rate for inspection time in excess of one hour. | \$158 per permit plus fully burdened hourly rate for inspection time in excess of one hour. | 100% |
| 57 C | Various | Commercial Development Assistance | Request | Fully burdened Hourly rate | Fully burdened hourly rate* | 100%*** |
| 57 D | Various | Residential Dev. Financial Assistance | Request | Fully burdened Hourly rate | Fully burdened hourly rate* | 100%*** |
| 59 | 010-37204 | Bicycle Registration | License | \$2 | \$10 | 100%*** |
| 62 | 206-38433 | Bldg. & Health Code Enforcement | Inspection | \$355 | Fully burdened hourly rate* | 100% |
| 63 | 206-38442 | Zoning Code Enforcement | Inspection | Fully burdened Hourly rate | Fully burdened hourly rate* | 100% |
| 65 | 010-37636 | Community Event Security | Hour | \$75 hr. community events \$30 hr. plus OH on paid contract detail | Fully burdened hourly rate* | 100% |
| 65 B | 010-37914 | Special Traffic Control | Request | \$45 | Fully burdened hourly rate* | 100%*** |
| 66 | 010-37834 | Police False Alarm Charge | Response | One free plus \$114 for each additional false alarm within 90 days | One free plus \$119 for each additional false alarm within 90 days | 100% |
| 67 | 206-38722 | Wide and Overweight Load Review | Permit | Single Trip-\$19 Blanket (Annual) \$108 | Single Trip-\$22 Blanket (Annual) \$108 | 100% |
| 69 | 010-37836 | Police Report | Report | \$11 plus \$0.25 for each page over 5 pages. | \$12 plus \$0.30 for each page over 5 pages. | 100% |
| 70 | 010-37633 | DUI Investigations | Citation | Fully burdened hourly rate for actual time spent | \$540 | 100% |
| 71 A | 010-37901 | Stored Vehicle Release Processing | Vehicle | \$40 | \$58 | 100%*** |
| 71 B | 010-37902 | VIN Verification | Response | \$35 | \$48 | 100%*** |
| 72 | 010-37839 | Police Photograph Sale | Photo | \$14 Photo \$18 video tape \$21 90-minute audio tape \$16 60-minute audio tape | \$17 Photo \$18 video tape \$34 90-minute audio tape \$25 60-minute audio tape | 100% |
| 88 A | Various | Special Events - Community Parks | Event | Fully burdened hourly rate | Fully burdened hourly rate* | 100%*** |
| 88 B | Various | Special Events - City Streets | Event | Fully burdened hourly rate | Fully burdened hourly rate* | 100%*** |
| 89 | 206-38428 | Parcel Map Address | Application | \$126 | \$53 | 100%*** |
| 90 | 206-38428 | Tract Map Address | Application | \$206 | \$106 | 100%*** |
| 91 | 206-38723 | Wide Load Review - PW | Application | \$16 | \$19 | 100%*** |
| 92 | 206-38724 | Wide Load Permit | Permit | \$90 | \$108 | 100%*** |
| 93 | 206-38741 | Reimbursement Agreement - PW | Application | 590 | \$708 | 100% |
| 100 A | 650-37661 | Secondary Water Quality Testing | Service Call | \$74 | \$80 | 100% |

| Service No | Account Number | Service Center | Unit | Current Fee | Proposed Fee | % of Costs Reasonably Borne to Be Recovered |
|------------|------------------------|--|-----------------|--|---|---|
| 101 | 650-37672 | Meter Install & Service | Meter | \$35 plus cost of meters 5/8" to 1" \$45 plus cost of meters 1½" to 2" Time & material + OH - 3" meter | \$51 plus cost of meter plus \$125 for MXU radio read & installation for 5/8" to 2" meter; Fully burdened hourly rate* plus cost of meter plus \$125 for MXU radio read & installation for 3" meter | 100% |
| 102 | 650-37858 | Utility Account Set-up | Customer | \$17 | \$25 | 100% |
| 103 | 650-37673 | Delinquent Water Turn Off/On | Customer | \$39-normal working hrs. \$78-after hours | \$38-normal working hrs. \$76-after hours | 100% |
| 103 A | 650-37892 | Utility Service Call | Request | \$78 Per hr. | Fully burdened hourly rate* | 100% |
| 104 | 650-37859 | Annual Backflow Testing Administration (NEW) | Test | \$0 | \$10 | 32.61%*** |
| 104 A | 650-37859 | Construction Backflow Inspect. | Inspection | \$69 | \$46 | 100% |
| 104C | 650-37882 | Delinquent Door Hangers (NEW) | Delinquent Acct | \$0 | \$4 | 100%*** |
| 116 | 010-37867 | Returned Check Processing | Check | \$17 | \$18 | 100%*** |
| 117 | 010-37868 | Records Research Service | Hour | Fully burdened hourly rate against an initial deposit | Fully burdened hourly rate* against an initial deposit | 100% |
| 117 A | 640-37881 650-37881 | Utility Bill-Delinquent Charges | Customer | 1-1/2% per month on delinquent unpaid balance | 1-1/2% per month on delinquent unpaid balance | 100% |
| 117 B | 650-37882 | Delinquent Bill Processing (Notice) | Bill | \$12 | \$12 | 100% |
| 118 | 010-37617 | Document Print & Copying | Item | \$0.75 first page \$0.10 each additional page | \$0.30 per page | 100% |
| 119 | 010-37869 | Agenda Mail Service - Annual | Request | \$14/full pack \$3 each Agenda/min. | \$0.30 per page. | 100% |
| 119A | 010-37869 | City Council Agenda Packet Mail Service – Annual (NEW) | Request | \$0.75 first page \$0.10 each additional page | \$1,584 | 100%*** |
| 119B | 206-38192 | Planning Commission Agenda Packet Mail Service – Annual (NEW) | Request | \$0.75 first page \$0.10 each additional page | \$569 | 100%*** |
| 123 | 010-37678 | Electronic Search of Public Records (NEW) | Tape | \$0 | \$2,500 | 100%*** |
| 124 | 010-37883 | City Attorney | Request | City Attorney - \$125/hr. Deputy City Attorney - \$901hr | Fully burdened hourly rate* | 100%*** |
| 125 | 304-37663 | Storm Drain Fees – Frontage Charge | | | | |
| | | One-Sided | Lineal Foot | \$80 | \$80 | 100%*** |
| | | Two-Sided | Lineal Foot | \$40 | \$40 | 100%*** |
| 126 A | 650-37663 | Front Footage Charge | Lineal Foot | \$50 | \$50 | 100%*** |
| | | Water One-sided | Lineal Foot | \$25 | \$25 | 100%*** |
| | | Water Two-sided | Lineal Foot | \$50 | \$50 | 100%*** |
| | | Sewer One-Sided | Lineal Foot | \$25 | \$25 | 100%*** |
| | | Sewer Two-Sided | Lineal Foot | \$25 | \$25 | 100%*** |
| 129 | 350-37648 | Underground Utilities Fees | | | | |
| | | One-Sided | Lineal Foot | \$200 | \$200 | 100%*** |

| Service No | Account Number | Service Center | Unit | Current Fee | Proposed Fee | % of Costs Reasonably Borne to Be Recovered |
|------------|----------------|--|--|--|--|---|
| | | Two-Sided | Lineal Foot | \$100 | \$100 | 100%*** |
| 132 | 010-37875 | Bond Letter | Request | \$45 | \$45 | 100% |
| 135 | 206-38716 | Map Checking-Parcel Map | Request | \$2,633 parcel map \$3,750/subdivision map | \$2,579/parcel map \$3,634msubdivision map | 100% |
| 137 | 010-37886 | Business License Application Review | Application | \$45-new/moved \$0-renewal \$57-if home occupancy permit is needed | \$46-new/moved \$0-renewal \$57-if home occupancy permit is needed | 100% |
| 139 | 010-37917 | Business License Listing | Request | \$5 | \$0.30 per page | 100%*** |
| 140 | 010-37980 | Animal Control Fees | | Set by separate resolution | **See below** | |
| 140 A | 010-37980 | Animal Establishment Permits: a) Pet shop, commercial kennel, pet grooming parlor, animal menagerie, animal shelter or horse establishment b) Private Kennel | Permit Permit | \$100 \$50 | \$96 \$51 | 100%*** |
| 140 B | 010-37980 | Cat Registration Fees: a) neutered or spayed animal (1 yr) b) neutered or spayed animal (3 yrs) c) unaltered animal (1 yr) d) unaltered animal (3 yrs) | License License License License | \$12 \$31 \$24 \$67 | \$12 \$31 \$17 \$41 | 70.59%*** 60.78%*** 100%*** 80.39%*** |
| 140 C | 010-37980 | Dog License Fees: a) neutered or spayed animal (1 yr) b) neutered or spayed animal (3 yrs) c) unaltered animal (1 yr) d) unaltered animal (3 yrs) e) Penalty fee per MHMC 6.12.060 f) Duplicate Tag g) Potentially Dangerous Animal Fee | License License License License License License Incident | \$12 \$31 \$24 \$67 \$25 \$4 \$50 | \$12 \$31 \$17 \$41 \$25 \$4 \$50 | 70.59%*** 60.78%*** 100%*** 80.39%*** N/A 100%*** 100%*** |
| 140 D | 010-37980 | Bite Investigation and Report | Incident | \$85 | \$125 | 100%*** |
| 140 E | 010-37980 | Inspection and Quarantine Order Fee: a. In addition, actual costs of housing, feeding and other care of quarantined animal. b. The administrator may waive said fee as follows: 1. Where dog is only suspected of biting; 2. Dogs used in government law enforcement; 3. Guide dogs for blind or deaf persons; 4. Dogs that have bitten any person trespassing on the dog owners 5. Dogs that have bitten any person trespassing on the dog | Incident | \$40 | \$105 | 100%*** |

| Service No | Account Number | Service Center | Unit | Current Fee | Proposed Fee | % of Costs Reasonably Borne to Be Recovered |
|------------|----------------|---|----------|---|--|---|
| | | owner's property. | | | | |
| 140 F | 010-37980 | Impoundment - Does not include county shelter drop fee for dogs and cats. Hauling and boarding costs for livestock shall be charged the owner in an amount sufficient to defray all actual expenses, including staff time and overhead. | Incident | \$95 | \$105 | 100%*** |
| 140 G | 010-37980 | Board Fees for each day over 2 a) Dog (per day) b) Cat (per day) c) Other animals (per day) | Incident | Impoundment plus \$10 Impoundment plus \$10 Impoundment plus cost | Impoundment + \$15/day Impoundment + \$15/day Impoundment + \$15/day | 100%*** 100%*** 100%*** |
| 140 H | 010-37980 | County Shelter Drop Fee Does not include boarding fees charged per day. | Incident | Per agreement | Per agreement | N/A |
| 141 | 010-37633 | Police Mutual Aid | Hour | Overtime Rate | Overtime Rate | 100%*** |
| 142A | 010-37221 | Live Entertainment Permit – New | Permit | \$67 | \$72 | 100%*** |
| 142B | 010-37221 | Live Entertainment Permit – Renewal | Permit | \$34 | \$39 | 100%*** |
| 142C | 010-37221 | Live Entertainment Permit – 1-time only | Permit | \$52 | \$55 | 100%*** |
| 142D | 010-37222 | Taxi License – Company | License | \$45 | \$97 | 100%*** |
| 142E | 010-37222 | Taxi License – Driver | License | \$27 | \$47 | 100%*** |
| 142F | | Adult Business Permit | Permit | \$250 | \$226 | 100%*** |
| 143 | 010-37636 | Special Police Detail | Hour | Fully burdened hourly rate | Fully burdened hourly rate* | 100%*** |
| 154 | 010-37938 | Other Extraordinary Services (including After Hours Inspections, Noise Level Monitoring Code Enforcement, and Research) (NEW) | Request | \$0 | Fully burdened hourly rate* | 100%*** |

- All burdened hourly rates are to be established by the City Manager at a rate that does not exceed the sum of the actual salary, actual employee benefit, and actual applicable overhead costs

*** The proposed percentage of costs reasonably borne to be recovered is a change to the current percentage.



CITY COUNCIL MEETING STAFF REPORT

Agenda Item # 15

Prepared By:

Recreation Manager

Submitted By:

City Manager

MEETING DATE: July 17, 2002

TITLE: CITY RECREATION FACILITY RESERVATION FEES

RECOMMENDED ACTIONS:

1. Open and close the public hearing.
2. Adopt a resolution establishing City recreation facility user fees.

EXECUTIVE SUMMARY: At its June 26, 2002 meeting, the City Council reviewed proposed procedures for reservation of City Recreation Facilities and a proposed user fee schedule. During that meeting, Council asked staff to explore alternative fee schedules with respect to fees charged for seasonal reservations for Category A local non-profit youth sport groups.

Attached is a brief analysis of three alternatives. (See Attachment A). This analysis outlines the history of the development and review of a system of user fees charges for outdoor recreation facilities. The purpose of user fees is to partially recover the City's cost of maintaining and operating these recreation facilities. Three alternatives are presented:

- a) Reduced fees to all Category A organizations developed from a study conducted by Sport Management Group,
- b) No fees to all Category A organizations, and
- c) Flat rate fee for seasonal reservations for youth sport groups and a reduced fee for one time uses by other Category A organizations.

Also attached is a survey of similar fee structures of nearby cities recently conducted by the Sports Management Group. (See Attachment B) This survey reveals that user fee structures vary widely from city to city and are based primarily on the needs and preferences of each individual community. As a result, any alternative selected by the City Council would be appropriate and not in conflict with other neighboring cities.

FISCAL IMPACT: The Reduced Fee alternative would yield an annual revenue to the General Fund of approximately \$20,000 based on current known Category A users. Of that, about \$19,000 would result from fees generated from seasonal field use by local youth sport groups. Revenues and maintenance costs will increase as future City sport facilities are developed.

The No Fee alternative will yield no revenue to the General Fund.

The Flat Rate alternative would yield an annual revenue to the General Fund of about \$6,000 based on current known Category A users. Of that, about \$5,000 would result from fees generated from seasonal field use by local youth sport groups. Revenues and maintenance costs will increase as future City sport facilities are developed.

ATTACHMENT A

Analysis of Alternative Fee Schedules for Outdoor Sport Fields and Recreation Facilities

With increasing demands for use of existing City sport facilities and the development of new recreation facilities in Morgan Hill, it has become apparent that both maintaining outdoor recreation facilities and scheduling their use will result in increased costs and staff time. As additional outdoor sport facilities are developed, the issue of the cost of ongoing maintenance and operations will likewise increase. Staff has been exploring methods to recoup a portion of the actual operating and maintenance costs and formalize outdoor sport and park facility reservation policies to better manage increasing demand for these facilities. Therefore, it is important now to establish a precedent that can be equally applied to current and future outdoor sport facilities as they are developed.

History:

In February 2002, the City contracted with the Sports Management Group to conduct a study of estimated costs to operate and maintain community sport facilities. The Sports Management Group also surveyed existing user fee policies in a number of other nearby cities. As a result of their study, The Sports Management Group developed a three tier sliding scale fee structure which could recoup either total or partial levels of estimated city costs associated with operating outdoor recreation facilities. This three tier sliding scale fee structure offered reduced costs to local residents and non-profit groups that served youth sports and seniors while charging higher fees for non-residents and for-profit organizations to recover a higher percentage of actual city costs.

In March 2002, a subcommittee of the Parks and Recreation Commission concurrently worked with staff to develop a set of formalized outdoor park and sport field reservations policies and procedures. These procedures also utilized a tiered category system to ensure that local community youth and senior groups were given priority use of city sport fields. This tiered priority system was made consistent with the tiered structure developed for user fees. The proposed procedures were presented to the Park and Recreation Commission and approved on May 21, 2002.

On May 22, 2002, the City Council reviewed both draft facility reservation policies and proposed user fee schedule developed by the Sport Management Group. At that meeting, staff was asked to clarify some issues regarding preferential use by residents and investigate the impact of lower fees charged to local non-profit organizations that provide services to youth and seniors.

On June 26, 2002, a revised City Recreation Facility Reservation Procedure and User Fee Schedule was presented to Council. The City Council received comments from local youth sports groups. Although fees to these organizations were significantly reduced from previous proposals, the new proposed fees still represented a large cost to these groups. The City Council further directed staff to return with a comparison of sliding scale categories used by other similar cities and to present alternatives to both the fee structure and reservation policies.

Tiered Category Schedule:

A number of cities surveyed utilize a tiered category approach to determine sliding scale fees for use of park and sport field facilities. The use of categories allows cities to offer lower user fees to residents and local non-profit organizations. However, there are no consistent definitions of various categories among nearby cities and each seems to have been developed a structure based on local need or preference. A survey of nearby cities conducted by Sport Management Group (see Attachment B) illustrates various user category systems.

Staff recommends that the three tier Category system incorporated in the proposed Recreation Facility Reservation Procedures (Attachment C) be adopted. This system was reviewed by the Parks and Recreation Commission and most closely meets the needs of our community.

User Fee Schedule:

The one remaining issue is to finalize a fee schedule based on the three tier category system. Again, the primary purpose of charging user fees is to partially offset the cost of field maintenance so they can be maintained in good condition for community use. Attachment B also compares user fees adopted by other cities. While most cities charge user fees, the amount of the fees vary from city to city. Some cities waive user fees for residents and local non-profit organizations while others charge a lower rate based on a tiered category system. Of special concern is the level of fees (if any) that might be charged to Category A local non-profit civic organizations and sport groups that serve youth or seniors. Three options can be considered for Category A users:

a) Category A: Reduced Fee Alternative:

The fee schedule presented to the City Council on June 24 (see Table 1) contains significantly lower user fees. With this approach, Category A users would pay a \$2 hourly rate for facility use and a slightly higher \$9 hourly rate for night use requiring field lights. This rate would apply to both one-time special event use by local civic organizations and seasonal use by sport groups. At this rate, the City would probably recoup the cost of periodic damage repairs to the fields and recoup the cost of electricity for field light use. Another benefit to the city under this alternative is with fees based on an hourly use rate, youth sport groups are encouraged to manage their schedules and discouraged from “over-booking” field use over the course of a season. This may result in greater field availability to other users when not actually needed by sport groups.

The disadvantage to non-profit groups under this alternative is that user fees are based on an hourly use rate. Fees for one-time special event use by civic organizations remain extremely nominal. While rates are low for youth sport groups, fees over the course of an entire sport season can add up to several thousand dollars per group depending on the length of a season and the number of fields reserved. It is anticipated that these costs will likely be passed on by the groups to the participants.

Under this alternative, about \$20,000 revenue would be generated from Category A groups to partially recover the cost of field maintenance, periodic repairs or the cost of electricity for field light use.

b) Category A: No Fee Alternative:

Table 2 illustrates a Fee Schedule alternative whereby Category A users are charged no user fee for use of outdoor sport fields. This obviously provides a benefit to Category A users for both one-time special events and seasonal use by youth sport groups. While there are no user fees under this alternative, the Administrative Processing fee, as determined by the Maximus Group study, will be retained to offset the actual cost of processing field reservations by staff. Processing fees will have negligible financial impact on Category A users.

Under this alternative, no revenue would be generated from Category A groups to partially recover the cost of field maintenance, periodic repairs or the cost of electricity for field light use.

c) Category A: Flat Rate Fee Alternative:

A Flat Rate Fee alternative is actually a hybrid approach designed to minimize user fee costs to Category A users for both one-time special event users and sport groups that make seasonal reservations. Under this alternative illustrated in Table 3, Category A users who reserve sport fields for one-time use would pay the reduced hourly rate. However, Category A sport groups that reserve fields for an entire season would pay a nominal flat rate user fee at a level determined by the City Council. Perhaps a flat rate may be established at \$500 per season for daytime use and \$700 per season for night use requiring field light.

This alternative provides the greatest benefit with minimal financial impact to Category A users for both one-time special events and seasonal use by sport groups. At the same time, it does produce some revenue to the City to partially offset the cost associated with sport field use for periodic repairs and the cost of electricity for field lights.

Under this alternative, about \$5,000 revenue would be generated from Category A groups to offset the cost of field maintenance, periodic repairs or the cost of electricity for field light use.

Other Considerations:

During review of the proposed reservation policy and fee schedule by the Parks and Recreation Commission, it was suggested to subject tennis courts to the same fee structure as other sport fields. However, the survey conducted by Sport Management Group revealed that our local proposed fees for tennis courts were excessive and out of step with other cities. Therefore, in all three alternatives listed above, fees for tennis court use have been removed. The Recreation Division will however, remain open to consider the future use of metered tennis court lighting to offset the cost of electricity for nighttime tennis court use.

TABLE 1

**FEE SCHEDULE ALTERNATIVE
“REDUCED FEE” FOR CATEGORY A**

City of Morgan Hill Recreation Facilities

| <u>Fee Type:</u> | <u>Proposed Fee:</u> |
|--|---|
| Administrative Processing Fee for all uses at a single facility: | |
| Sport Field, Tennis Court and Picnic Site: | All Categories: \$17 |
| Special Events with more than 50 participants | All Categories: \$125 |
| All Sport Fields: (Without lights) | Category A: \$ 2 / hr per field Category B: \$15 / hr per field Category C: \$35 / hr per field |
| All Sport Fields: (With lights) | Category A: \$ 9 / hr per field Category B: \$35 / hr per field Category C: \$55 / hr per field |
| Picnic Areas: | Category A: \$ 0 / hr per area Category B: \$ 0 / hr per area Category C: \$35 / hr per area |
| Special Events reserving entire city park/site (eight hours or more per day): | Hourly Category rate for all fields and picnic areas at a facility with a maximum of 8 hours. |
| Tennis Court: | All Categories: \$ 0 |
| Staffing Fees: (two hour minimum) | All Categories: \$25 / hr |
| BBQ crank handle deposit | All Categories: \$ 50 |

TABLE 2

**FEE SCHEDULE ALTERNATIVE
“NO FEE” FOR CATEGORY A**

City of Morgan Hill Recreation Facilities

| <u>Fee Type:</u> | <u>Proposed Fee:</u> |
|--|---|
| Administrative Processing Fee for all uses at a single facility: | |
| Sport Field, Tennis Court and Picnic Site: | All Categories: \$17 |
| Special Events with more than 50 participants | All Categories: \$125 |
| All Sport Fields: (Without lights) | Category A: \$ 0 / hr per field Category B: \$15 / hr per field Category C: \$35 / hr per field |
| All Sport Fields: (With lights) | Category A: \$ 0 / hr per field Category B: \$35 / hr per field Category C: \$55 / hr per field |
| Picnic Areas: | Category A: \$ 0 / hr per area Category B: \$ 0 / hr per area Category C: \$35 / hr per area |
| Special Events reserving entire city park/site (eight hours or more per day): | Hourly Category rate for all fields and picnic areas at a facility with a maximum of 8 hours. |
| Tennis Court: | All Categories: \$ 0 |
| Staffing Fees: (two hour minimum) | All Categories: \$25 / hr |
| BBQ crank handle deposit | All Categories: \$ 50 |

TABLE 3

**FEE SCHEDULE ALTERNATIVE
“FLAT RATE FEE” FOR CATEGORY A**

City of Morgan Hill Recreation Facilities

| <u>Fee Type:</u> | <u>Proposed Fee:</u> |
|--|--|
| Administrative Processing Fee for all uses at a single facility: | |
| Sport Field, Tennis Court and Picnic Site: | All Categories: \$17 |
| Special Events with more than 50 participants | All Categories: \$125 |
| All Sport Fields: (Without lights) | Seasonal Reservation by Category A: \$500 / season One-time Special Event by Category A: \$ 2 / hr per field Category B: \$ 15 / hr per field Category C: \$ 35 / hr per field |
| All Sport Fields: (With lights) | Seasonal Reservation by Category A: \$ 700 / season One-time Special Event by Category A: \$ 9 / hr per field Category B: \$ 35 / hr per field Category C: \$ 55 / hr per field |
| Picnic Areas: | Category A: \$ 0 / hr per area Category B: \$ 0 / hr per area Category C: \$35 / hr per area |
| Special Events reserving entire city park/site (eight hours or more per day): | Hourly Category rate for all fields and picnic areas at a facility with a maximum of 8 hours. |
| Tennis Court: | All Categories: \$ 0 |
| Staffing Fees: (two hour minimum) | All Categories: \$25 / hr |
| BBQ crank handle deposit | All Categories: \$ 50 |

| | | | | | | | | | |
|------------------------|--|---|--|-----------------------------|-----------------------------|---|----------------------|---|-----------------------------|
| Residency Requirements | Morgan Hill | Gilroy | San Jose | Santa Clara | Sunnyvale | Campbell | Los Gatos & Saratoga | Hollister Sel Dist. | San Mateo |
| | 66% | N/A | N/A | 71% | N/A | 51% | N/A | N/A | N/A |
| CATEGORY A | •City/School sponsored programs •Non-Profit Local youth sports, senior or civic organizations | | •Government Agencies, •Youth, senior or disabled organizations •Non-Profit organizations | Same Fee for all Categories | Same Fee for all Categories | •Programs offered for no charge by City Non-Profit Groups | | •School District Sponsored activities •Non-Profits | Same Fee for all Categories |
| P | \$17 | N/A | \$25 | \$0 | N/A | \$25 | | \$0 | N/A |
| C | N/A | N/A | 25% of fee or \$25 | \$0 | N/A | | | | N/A |
| F | \$2/hr | \$41/hr-1st 2 hrs \$20/hr additional | \$1 to \$2/hr ¹ | \$0 | \$20/hr (max \$150/day) | \$5 - \$15/hr ⁵ | \$40/hr | \$0 | \$10/hr |
| F | \$9/hr | \$65/hr-1st 2 hrs \$44/hr additional | \$9/hr | \$0 | \$50/hr | \$5 - \$15/hr ⁵ | \$40/hr | \$10/hr | \$12/hr |
| T | \$0 | No Charge | \$2 for 4 hrs or \$5 for over 4 hours | \$0 | No Charge | N/A | N/A | \$0 | \$0 |
| T | \$0 | N/A | \$5 for 4 hrs or \$15 for over 4 hours | \$0 | No Charge | N/A | N/A | \$0 | \$0 |
| P | \$0 | \$97 | \$45- \$75 ² | \$0 | \$20 - \$160 ⁴ | \$30 - \$50 ⁶ | \$35 - \$40 | N/A | \$35 - \$90 |
| Si | \$25/hr | N/A | \$30 for 1 field, \$50 for 2 | \$0 | \$30 | N/A | Included | \$25/hr | N/A |
| M | | | | | | No charge for activities and programs sponsored by the City | | | |

CATEGORY B

| | Morgan Hill | | | | | | | | |
|---|---|---|---|------------------------------------|----------------------------|---|-------------------------|--|------------------|
| | •Residents •Non-Profit community organizations | Gilroy | San Jose | Santa Clara | Sunnyvale | Campbell | Los Gatos & Saratoga | Hollister Scl Dist. | San Mateo |
| | \$17 | | •Individuals •Organizations or entities unable to meet Category A criteria | No Categories | No Categories | •Residents •Resident Businesses •Sports League Events | | •School District Sponsored activities •Non-Profits | No Categories |
| P | N/A | N/A | \$25 | \$20 | N/A | \$25 | | \$20 | N/A |
| C | \$15/hr | N/A | 25% of fee or \$25 | \$10 | N/A | | | N/A | N/A |
| F | \$35/hr | \$41/hr-1st 2 hrs \$20/hr additional | \$6 to \$10/hr ¹ | \$12/hr 9a-6p \$20/hr after 6pm | \$20/hr (max \$150/day) | \$10 - \$30/hr ⁵ | \$40/hr | \$0 | \$10/hr |
| F | \$0 | \$65/hr-1st 2 hrs \$44/hr additional | \$28/hr | \$48/hr 9a-6p \$60/hr after 6pm | \$50/hr | \$10 - \$30/hr ⁵ | \$40/hr | \$10/hr | \$12/hr |
| T | \$0 | No Charge | \$10 for 4 hrs or \$15 for over 4 hours | No Charge | No Charge | \$5/hr | N/A | \$1/hr | \$0 |
| T | \$0 | N/A | \$15 for 4 hrs or \$20 for over 4 hours | \$3/hr | No Charge | \$10/hr | N/A | N/A | \$0 |
| P | \$25/hr | \$97 | \$45- \$75 ² | \$75 - \$350 ³ | \$20 - \$160 ⁴ | \$30 - \$50 ⁶ | \$35 - \$40 | N/A | \$35 - \$90 |
| S | | N/A | \$30 for 1 field; \$50 for 2 | \$35/hr | \$30 | N/A | Included | \$25/hr | N/A |

| CATEGORY C | | Morgan Hill | N/A | San Jose | Santa Clara | Sunnyvale | Campbell | Los Gatos & Saratoga | Hollister Sel Dist. | San Mateo |
|------------|--|---|-----|----------|-------------|-----------|----------|----------------------|------------------------|-----------|
| | | •Residents •Non-Profit community organizations | | | | | | | | |
| | | \$17 | | | | | | | | |
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| | | | | | | | | | | |
| P | | N/A | | | | | | | | |
| C | | \$35/hr | | | | | | | | |
| F | | \$55/hr | | | | | | | | |
| F | | \$0 | | | | | | | | |
| T | | \$0 | | | | | | | | |
| T | | \$35 | | | | | | | | |
| P | | \$25/hr | | | | | | | | |
| S | | | | | | | | | | |

| Notes | | | 1marked or unmarked fields | 3based on person capacity and location | 4based on amenities of picnic area | 5based on field | | | |
|-------|--|--|----------------------------|--|------------------------------------|--|--|--|--|
| | | | 2based on number of people | | | 6based on no. of people | | | |
| | | | | | | City co-sponsored groups, youth organizations or leagues with 51% residency pay \$500 per year | | | |

RESOLUTION NO. 5593

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL ESTABLISHING FEES FOR RECREATION SERVICES, INCLUDING CLASSES, FACILITIES, AND ADMINISTRATIVE PROCESSING CHARGES PURSUANT TO TITLE 3, CHAPTER 3.54, OF THE MORGAN HILL MUNICIPAL CODE

WHEREAS, City of Morgan Hill provides numerous recreation services and leisure opportunities for its citizens through a wide variety of classes and facilities; and,

WHEREAS, on May 15, 1991, the City Council of the City of Morgan Hill adopted Ordinance No. 1030, N.S., codified as Chapter 3.54 of the Morgan Hill Municipal Code, which establishes city policy as to the criteria for establishment of fees to be charged for recreation services, and a methodology for adjustment thereof; and,

WHEREAS, the City Council finds that the operational costs of classes and facilities, as well as costs inherent in the administration of class registrations and facility bookings, necessitates charging fees to the public for such recreation services; and,

WHEREAS, the City Council of the City of Morgan Hill has received and duly considered the report entitled “Cost Recovery Study Findings,” dated May, 2002, authored by DMG Maximus, portions of which address recreation services fees and charges; and,

WHEREAS, City staff has provided additional information to the City Council regarding the costs of providing recreation services to the general public, and the analytical process used to arrive at calculation of such costs; and,

WHEREAS, in light of the foregoing the City Council has made amendments to the current ordinance to clarify the type of fees which may be charged, and the methodology for calculating the amount of such fees and any revisions thereto; and,

WHEREAS, the City Council finds that the methodology set forth by consultants and staff regarding calculation of the fees to be charged for recreation services establishes a reasonable relationship between the costs inherent in providing such services and the fees to be charged, given the policy reasons which were also set forth by staff and consultant and which are incorporated herein; and,

WHEREAS, on July 17th, 2002, the City Council held a duly noticed public hearing, and considered all written and verbal information presented to it, which testimony and exhibits are hereby incorporated into the record of this matter.

NOW, THEREFORE, the City Council of the City of Morgan Hill, based upon all documents, statements and facts known to the City, does hereby resolve:

SECTION 1. Fee Schedule Adoption. Based upon the record before it and the findings set forth above, the City Council hereby adopts the schedule of fees and charges attached hereto and incorporated herein as Exhibit A. The City Council directs the City Manager to have the appropriate City departments apply and collect said fees for identified services.

SECTION 2. Separate Fee For Each Process; Additional Fees and Refunds. All fees set by this resolution are for each identified process or service. Additional fees shall be required for each additional process or service that is requested or required. Where fees are indicated on a per unit basis of measurement, the fee stated is for the identified unit or portion thereof within the indicated ranges of such units.

SECTION 3. Collection of Fees. The fees specified in Exhibit A shall be charged and collected beginning September 17, 2002, and thereafter.

SECTION 4. Interpretation. This Resolution may be interpreted by the City Manager. Should there be a conflict in regards to the applicability of the fees, or the charges imposed thereunder, the City Manager is authorized to determine which fee, or combination thereof, should be applied.

SECTION 5. Severability. If any portion of this Resolution is declared invalid by a court of competent jurisdiction then it is the intent of the City Council that all other portions of the Resolution shall be severed and remain in full force and effect.

PASSED AND ADOPTED by the City Council of Morgan Hill at a Regular Meeting held on the 17th Day of July, 2002 by the following vote.

| | |
|-----------------|-------------------------|
| AYES: | COUNCIL MEMBERS: |
| NOES: | COUNCIL MEMBERS: |
| ABSTAIN: | COUNCIL MEMBERS: |
| ABSENT: | COUNCIL MEMBERS: |

 **CERTIFICATION** 

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Resolution No. 5593, adopted by the City Council at the Regular Meeting on July 17th, 2002.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk

EXHIBIT A

| Service No | Account Number | Service Center | Unit | Current Fee | Proposed Fee |
|------------|----------------|---|-------------------------|-------------------|---|
| 144 | 010-37920 | Class/Program Processing Fee (NEW) | Participant | \$0 | \$10 |
| 145 | 010-37924 | Park/Field Reservation Processing – under 50 (NEW) | Reservation | \$0 | \$17 |
| 146 | 010-37926 | Park/Field Reservation Processing – 50 or more (NEW) | Reservation | \$0 | \$125 |
| 147 | 010-37922 | Class/Program Participant Fee (NEW) | Participant | \$0 | Actual contract instructor cost; or fully burdened hourly rate* if taught by City employee |
| 148 | 010-37928 | Sport Field (w/o lights) (NEW) –Category A** –Category B** –Category C** | Field or Court per Hour | \$0 \$0 \$0 | \$2 \$15 \$35 |
| 149 | 010-37930 | Sport Field (with lights) (NEW) –Category A** –Category B** –Category C** | Field or Court per Hour | \$0 \$0 \$0 | \$9 \$35 \$55 |
| 150 | 010-37932 | Picnic Area (NEW) –Category A** –Category B** –Category C** | Area per Hour | \$0 \$0 \$0 | \$0 \$0 \$35 |
| 151 | 010-37934 | Special Event (NEW) Reserving Entire Park or Site | Park or Site per Hour | \$0 | Hourly Category Rate for All Sport Fields & Picnic Areas at Given Facility, with a Maximum of 8 Hours per Day |
| 152 | 010-37936 | Staffing Fees for Categories A, B, or C** (NEW) | Park or Site per Hour | \$0 | \$25 per Hour, with a 2 Hour Minimum |
| 153 | 820-21700 | BBQ Crank Handle Refundable Deposit (NEW) | Use | \$0 | \$50 |

** Category A is comprised of seasonal, one-time uses or special events held by City sponsored community programs and non-profit youth sport, senior or civic organizations with proper State credentials headquartered in and for the primary benefit of youth living in the City of Morgan Hill. Category A non-profit organizations must certify that they are comprised of more than 66% of their membership residing within the City limits of Morgan Hill. This category includes activities sponsored by the City of Morgan Hill, approved Morgan Hill local non-profit youth and senior related organizations, including the local YMCA, Chamber of Commerce, and other governmental agencies including the Morgan Hill Unified School District.

Category B is comprised of seasonal, one-time uses or special events held by residents of the City of Morgan Hill and other non-profit community organizations with proper State credentials, which are not commercial in nature and are not designed to produce private revenue. To qualify for this category, individuals must provide their home addresses showing that they live within the city limits of the City of Morgan Hill. This category includes service organizations, non-profit organizations, and fund raising activities of churches and recognized welfare organizations, private clubs, and group activities of a welfare fund raising nature that do not qualify under Category A, whether or not admission is charged.

Category C is comprised of uses by for-profit organizations, individuals/teams, non-residents, and corporations.



CITY COUNCIL MEETING STAFF REPORT

MEETING DATE: JULY 17, 2002

**TITLE: PUBLIC HEARING AND ADOPTION OF RESOLUTIONS
CONFIRMING FISCAL YEAR 2002-03 ANNUAL
ASSESSMENT FOR THE FOX HOLLOW-MURPHY
SPRINGS ASSESSMENT DISTRICT**

RECOMMENDED ACTION: 1) Open and Close the Public Hearing 2) Adopt the attached resolutions confirming the Fiscal Year 2002-03 Annual Assessment for the Fox Hollow/Murphy Springs Assessment District

EXECUTIVE SUMMARY: The Fox Hollow-Murphy Springs Assessment District was created to pay for the maintenance of the parks and common area landscaping in new neighborhoods benefitting from the open space. Per government code sections 22623 to 22631, an engineer's report is required to set the annual assessments in the District.

At its June 19, 2002 meeting council declared its intent to levy assessments in the Fox Hollow/Murphy Springs Assessment District and established the public hearing date set for tonight's meeting. Notice of tonight's public hearing was posted in the newspaper in accordance with State Law.

The district consists of 20 residential sub-areas, affecting a total of 755 lots. Proposed changes in the annual assessments for each sub-area are shown on Exhibit B. It is proposed the assessment rate increase in 8 sub-areas effecting 519 of the 755 property owners, decrease in 1, and remain unchanged in 11. None of the proposed assessment rate increases exceed the maximum assessment rate approved at the time of the sub-area's annexation into the district and therefore, balloting procedures as described in Proposition 218 are not required. All 519 property owners whose assessment rate is proposed to be raised have been notified of tonight's public hearing. They were also invited to attend a public meeting providing them an opportunity to ask questions of staff. This meeting was held on Monday July 15, 2002 at 7:00. Results of that meeting will be provided verbally to Council at tonight's public hearing.

The changes in assessment rates as proposed are necessary to meet current costs for maintenance and to adjust the fund balance or deficit in each sub-area. Staff is managing the District to create or maintain approximately a \$2,000 positive fund balance for each individual sub-area. This fund balance will serve as a contingency for routine maintenance costs for any given fiscal year. If staff anticipates expenses requiring more than the \$2,000 contingency in the coming fiscal year, an increase in the assessment rate will be proposed to offset this expense.

The attached memo dated June 7, 2002 to J. Edward Tewes provides information specifically regarding the Jackson Meadows #7, La Grande and Sandalwood sub-areas.

For tonight's public hearing the two resolutions requiring adoption will 1) Amend or approve the Final Engineer's Report for levy of the assessments 2) Order the levy and collection of assessments. These resolutions comply with the Landscaping and Lighting Act of 1972.

FISCAL IMPACT: The cost for preparation of this staff report and the engineer's report will be paid for by the Assessment District. It is anticipated that the District will generate **\$134,295** in gross revenues for the Fiscal Year 2002-03 and will offset the costs of maintenance provided.

Agenda Item # 16

Prepared By:

**Deputy Director Public
Works/ Operations**

Approved By:

Director Public Works

Submitted By:

City Manager

RESOLUTION NO. 5597

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL,
CALIFORNIA, AMENDING AND/OR APPROVING THE FINAL ENGINEER'S
ANNUAL LEVY REPORT FOR THE FOX HOLLOW/ MURPHY SPRINGS
LANDSCAPE MAINTENANCE DISTRICT (EXCLUDING CONTE GARDENS AND
SANDALWOOD SUBAREAS), FISCAL YEAR 2002/03**

WHEREAS, the City Council, pursuant to the provisions of the *Landscape and Lighting Act of 1972, Part 2, Division 15 of the California Streets and Highways Code (commencing with Section 22500)* (hereafter referred to as the "Act") did by previous Resolution, order the Engineer, NBS Government Finance Group, to prepare and file a report in accordance with *Chapter 1 Article 4* of the Act, *commencing with Section 22565*, in connection with the proposed levy and collection of assessments for the district known and designated as the Fox Hollow/Murphy Springs Landscape Assessment District (**excluding the Conte Gardens and Sandalwood Subareas**), (hereafter referred to as the "District"), for the fiscal year commencing July 1, 2002 and ending June 30, 2003; and

WHEREAS, the Engineer has prepared and filed with the City Clerk of the City of Morgan Hill and the City Clerk has presented to the City Council such report entitled "Final Engineer's Annual Levy Report, Fox Hollow/Murphy Springs Landscape Assessment District, Fiscal Year 2002/03" (hereafter referred to as the "Report"); and

WHEREAS, the City Council has carefully examined and reviewed the Report as presented, and is satisfied with each and all of the items and documents as set forth therein, and finds that the levy has been spread in accordance with the special benefits received from the improvements, operation, maintenance and services to be performed, as set forth in said Report; and

NOW THEREFORE, it is hereby resolved, determined, and ordered by the City Council of Morgan Hill for the District, as follows:

Section 1 : That City Council hereby approves the Report as filed.

PASSED AND ADOPTED by the City Council of Morgan Hill at a Regular Meeting held on the 17th Day of July, 2002 by the following vote.

| | |
|-----------------|-------------------------|
| AYES: | COUNCIL MEMBERS: |
| NOES: | COUNCIL MEMBERS: |
| ABSTAIN: | COUNCIL MEMBERS: |
| ABSENT: | COUNCIL MEMBERS: |

🏛️ CERTIFICATION 🏛️

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Resolution No. 5597, adopted by the City Council at the Regular Meeting on July 17th, 2002.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk

RESOLUTION NO. 5598

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL, CALIFORNIA, ORDERING THE LEVY AND COLLECTION OF ASSESSMENTS WITHIN THE FOX HOLLOW/ MURPHY SPRINGS LANDSCAPE MAINTENANCE DISTRICT (EXCLUDING CONTE GARDENS AND SANDALWOOD SUBAREAS), FISCAL YEAR 2002/03

WHEREAS, the City Council has, by previous Resolutions initiated proceedings, and approved the Final Engineer's Annual Levy Report (hereafter referred to as the "Report") as presented or amended which described the assessments against parcels of land within the Fox Hollow/Murphy Springs Landscape Assessment District (**excluding the Conte Gardens and Sandalwood Subareas**) (hereafter referred to as the "District") for the fiscal year commencing July 1, 2002 and ending June 30, 2003; pursuant to the provisions of the *Landscape and Lighting Act of 1972, Part 2, Division 15 of the California Streets and Highways Code (commencing with Section 22500)* (hereafter referred to as the "Act") to pay the costs and expenses of operating, maintaining and servicing the improvements located within the District; and,

WHEREAS, The Engineer selected by the City Council has prepared and filed with the City Clerk, and the City Clerk has presented to the City Council, a Report in connection with the proposed levy and collection upon eligible parcels of land within the District, and the City Council did by previous Resolution approve such Report; and,

WHEREAS, the City Council desires to levy and collect assessments against parcels of land within the District for the fiscal year commencing July 1, 2002 and ending June 30, 2003, to pay the costs and expenses of operating, maintaining and servicing the improvements within the District; and,

WHEREAS, the Assessment rates within each Zone are exempt from the assessment balloting procedures set forth in Section 4 SEC. 4 of Proposition 218 because the District and Zones were formed by consent of 100% of the land owners, and the proposed Assessments per lot or parcel are not proposed to increase by more than the assessment rates approved by the landowners at the time of annexation into the District; and,

WHEREAS, the assessment levies are **not** based upon the assessed value of the property within the District, but are based upon the special benefit received by the parcels within the District from the improvements; and,

NOW THEREFORE, it is hereby resolved, determined, and ordered by the City Council of Morgan Hill for the District, as follows:

Section 1 Following notice duly given, the City Council has held a full and fair Public Hearing regarding its Resolution Approving and or Amending the Final Engineer's Annual Levy Report prepared in connection therewith; the levy and collection of assessments, and considered all oral and written statements, protests and communications made or filed by interested persons.

Section 2 Based upon its review (and amendments, as applicable) of the Final Engineer's Annual Levy Report, a copy of which has been presented to the City Council and which has been filed with the City Clerk, the City Council hereby finds and determines that:

- i) the land within the District will receive special benefit by the operation, maintenance, and servicing of landscaping and appurtenant facilities within the boundaries of the District.
- ii) The District includes all of the lands receiving such special benefit.
- iii) the net amount to be assessed upon the lands within the District in accordance with the costs for the fiscal year commencing July 1, 2002 and ending June 30, 2003 is apportioned by a formula and method which fairly distributes the net amount among all eligible parcels in proportion to the estimated special benefit to be received by each parcel from the improvements and services.

Section 3 The Report and assessment as presented to the City Council and on file in the office of the City Clerk are hereby confirmed as filed.

Section 4 The City Council hereby orders the proposed improvements to be made, which improvements are briefly described as follows: turf, shrubs, plants and trees, landscaping, irrigation and drainage systems, graffiti removal, and associated appurtenances within the public right-of-ways or specific easements. Maintenance means the furnishing of services and materials for the ordinary and usual maintenance of landscaping and appurtenant facilities, including repair, removal or replacement of all or part of any of the landscaping or appurtenant facilities; providing for the satisfactory working condition, life, growth, health and beauty of the improvements, including cultivation, irrigation, trimming, spraying, fertilization and treating for disease or injury; the removal of trimmings, rubbish, debris and other solid waste. Services provided include furnishing of water and electricity for the irrigation and control of the landscaping, and all necessary service, operations, administration and maintenance required to keep the improvements in a healthy, vigorous and satisfactory condition.

Section 5 The maintenance, operation and servicing of the landscaping and appurtenant facilities shall be performed pursuant to the Act and the County Auditor of the County of Santa Clara shall enter on the County Assessment Roll opposite each parcel of land the amount of levy, and such levies shall be collected at the same time and in the same manner as the County taxes are collected. After collection by the County, the net amount of the levy shall be paid to the City Treasurer.

Section 6 The City Treasurer shall deposit all money representing assessments collected by the County of Santa Clara for the District to the credit of a fund for the Fox Hollow/Murphy Springs Landscape Assessment District, and such money shall be expended only for the maintenance, operation and servicing of the landscaping and appurtenant facilities as described in Section 4.

Section 7 The adoption of this Resolution constitutes the District levy for the Fiscal Year commencing July 1, 2002 and ending June 30, 2003.

Section 8 The City Clerk is hereby authorized and directed to file the levy with the County Auditor upon adoption of this Resolution.

Section 9 A certified copy of the levy shall be filed in the office of the City Clerk and open for public inspection.

PASSED AND ADOPTED by the City Council of Morgan Hill at a Regular Meeting held on the 17th Day of July, 2002 by the following vote.

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

🏛️ CERTIFICATION 🏛️

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Resolution No. 5598, adopted by the City Council at the Regular Meeting on July 17th, 2002.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk

RESOLUTION NO. 5599

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL, CALIFORNIA, AMENDING AND/OR APPROVING THE FINAL ENGINEER'S ANNUAL LEVY REPORT FOR THE FOX HOLLOW/ MURPHY SPRINGS LANDSCAPE MAINTENANCE DISTRICT (REFERRING ONLY TO THE CONTE GARDENS SUBAREA), FISCAL YEAR 2002/03

WHEREAS, the City Council, pursuant to the provisions of the *Landscape and Lighting Act of 1972, Part 2, Division 15 of the California Streets and Highways Code (commencing with Section 22500)* (hereafter referred to as the "Act") did by previous Resolution, order the Engineer, NBS Government Finance Group, to prepare and file a report in accordance with *Chapter 1 Article 4* of the Act, *commencing with Section 22565*, in connection with the proposed levy and collection of assessments for the district known and designated as the Fox Hollow/Murphy Springs Landscape Assessment District (**referring only to the Conte Gardens Subarea**), (hereafter referred to as the "District"), for the fiscal year commencing July 1, 2002 and ending June 30, 2003; and

WHEREAS, the Engineer has prepared and filed with the City Clerk of the City of Morgan Hill and the City Clerk has presented to the City Council such report entitled "Final Engineer's Annual Levy Report, Fox Hollow/Murphy Springs Landscape Assessment District, Fiscal Year 2002/03" (hereafter referred to as the "Report"); and

WHEREAS, the City Council has carefully examined and reviewed the Report as presented, and is satisfied with each and all of the items and documents as set forth therein, and finds that the levy has been spread in accordance with the special benefits received from the improvements, operation, maintenance and services to be performed, as set forth in said Report; and

NOW THEREFORE, it is hereby resolved, determined, and ordered by the City Council of Morgan Hill for the District, as follows:

Section 1 : That City Council hereby approves the Report as filed.

PASSED AND ADOPTED by the City Council of Morgan Hill at a Regular Meeting held on the 17th Day of July, 2002 by the following vote.

| | |
|-----------------|-------------------------|
| AYES: | COUNCIL MEMBERS: |
| NOES: | COUNCIL MEMBERS: |
| ABSTAIN: | COUNCIL MEMBERS: |
| ABSENT: | COUNCIL MEMBERS: |

🏛️ CERTIFICATION 🏛️

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Resolution No. 5599, adopted by the City Council at the Regular Meeting on July 17th, 2002.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk

RESOLUTION NO. 5600

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL, CALIFORNIA, ORDERING THE LEVY AND COLLECTION OF ASSESSMENTS WITHIN THE FOX HOLLOW/ MURPHY SPRINGS LANDSCAPE MAINTENANCE DISTRICT (REFERRING ONLY TO THE CONTE GARDENS SUBAREA), FISCAL YEAR 2002/03

WHEREAS, the City Council has, by previous Resolutions initiated proceedings, and approved the Final Engineer's Annual Levy Report (hereafter referred to as the "Report") as presented or amended which described the assessments against parcels of land within the Fox Hollow/Murphy Springs Landscape Assessment District (**referring only to the Conte Gardens Subarea**) (hereafter referred to as the "District") for the fiscal year commencing July 1, 2002 and ending June 30, 2003; pursuant to the provisions of the *Landscape and Lighting Act of 1972, Part 2, Division 15 of the California Streets and Highways Code (commencing with Section 22500)* (hereafter referred to as the "Act") to pay the costs and expenses of operating, maintaining and servicing the improvements located within the District; and,

WHEREAS, The Engineer selected by the City Council has prepared and filed with the City Clerk, and the City Clerk has presented to the City Council, a Report in connection with the proposed levy and collection upon eligible parcels of land within the District, and the City Council did by previous Resolution approve such Report; and,

WHEREAS, the City Council desires to levy and collect assessments against parcels of land within the District for the fiscal year commencing July 1, 2002 and ending June 30, 2003, to pay the costs and expenses of operating, maintaining and servicing the improvements within the District; and,

WHEREAS, the Assessment rates within each Zone are exempt from the assessment balloting procedures set forth in Section 4 SEC. 4 of Proposition 218 because the District and Zones were formed by consent of 100% of the land owners, and the proposed Assessments per lot or parcel are not proposed to increase by more than the assessment rates approved by the landowners at the time of annexation into the District; and,

WHEREAS, the assessment levies are **not** based upon the assessed value of the property within the District, but are based upon the special benefit received by the parcels within the District from the improvements; and,

NOW THEREFORE, it is hereby resolved, determined, and ordered by the City Council of Morgan Hill for the District, as follows:

Section 1 Following notice duly given, the City Council has held a full and fair Public Hearing regarding its Resolution Approving and or Amending the Final Engineer's Annual Levy Report prepared in connection therewith; the levy and collection of assessments, and considered all oral and written statements, protests and communications made or filed by interested persons.

Section 2 Based upon its review (and amendments, as applicable) of the Final Engineer's Annual Levy Report, a copy of which has been presented to the City Council and which has been filed with the City Clerk, the City Council hereby finds and determines that:

- i) the land within the District will receive special benefit by the operation, maintenance, and servicing of landscaping and appurtenant facilities within the boundaries of the District.
- ii) The District includes all of the lands receiving such special benefit.
- iii) the net amount to be assessed upon the lands within the District in accordance with the costs for the fiscal year commencing July 1, 2002 and ending June 30, 2003 is apportioned by a formula and method which fairly distributes the net amount among all eligible parcels in proportion to the estimated special benefit to be received by each parcel from the improvements and services.

Section 3 The Report and assessment as presented to the City Council and on file in the office of the City Clerk are hereby confirmed as filed.

Section 4 The City Council hereby orders the proposed improvements to be made, which improvements are briefly described as follows: turf, shrubs, plants and trees, landscaping, irrigation and drainage systems, graffiti removal, and associated appurtenances within the public right-of-ways or specific easements. Maintenance means the furnishing of services and materials for the ordinary and usual maintenance of landscaping and appurtenant facilities, including repair, removal or replacement of all or part of any of the landscaping or appurtenant facilities; providing for the satisfactory working condition, life, growth, health and beauty of the improvements, including cultivation, irrigation, trimming, spraying, fertilization and treating for disease or injury; the removal of trimmings, rubbish, debris and other solid waste. Services provided include furnishing of water and electricity for the irrigation and control of the landscaping, and all necessary service, operations, administration and maintenance required to keep the improvements in a healthy, vigorous and satisfactory condition.

Section 5 The maintenance, operation and servicing of the landscaping and appurtenant facilities shall be performed pursuant to the Act and the County Auditor of the County of Santa Clara shall enter on the County Assessment Roll opposite each parcel of land the amount of levy, and such levies shall be collected at the same time and in the same manner as the County taxes are collected. After collection by the County, the net amount of the levy shall be paid to the City Treasurer.

Section 6 The City Treasurer shall deposit all money representing assessments collected by the County of Santa Clara for the District to the credit of a fund for the Fox Hollow/Murphy Springs Landscape Assessment District, and such money shall be expended only for the maintenance, operation and servicing of the landscaping and appurtenant facilities as described in Section 4.

Section 7 The adoption of this Resolution constitutes the District levy for the Fiscal Year commencing July 1, 2002 and ending June 30, 2003.

Section 8 The City Clerk is hereby authorized and directed to file the levy with the County Auditor upon adoption of this Resolution.

Section 9 A certified copy of the levy shall be filed in the office of the City Clerk and open for public inspection.

PASSED AND ADOPTED by the City Council of Morgan Hill at a Regular Meeting held on the

17th Day of July, 2002 by the following vote.

AYES: **COUNCIL MEMBERS:**
NOES: **COUNCIL MEMBERS:**
ABSTAIN: **COUNCIL MEMBERS:**
ABSENT: **COUNCIL MEMBERS:**

🦉 CERTIFICATION 🦉

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Resolution No. 5600, adopted by the City Council at the Regular Meeting on July 17th, 2002.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk

RESOLUTION NO. 5601

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL, CALIFORNIA, AMENDING AND/OR APPROVING THE FINAL ENGINEER'S ANNUAL LEVY REPORT FOR THE FOX HOLLOW/ MURPHY SPRINGS LANDSCAPE MAINTENANCE DISTRICT (REFERRING ONLY TO THE SANDALWOOD SUBAREA), FISCAL YEAR 2002/03

WHEREAS, the City Council, pursuant to the provisions of the *Landscape and Lighting Act of 1972, Part 2, Division 15 of the California Streets and Highways Code (commencing with Section 22500)* (hereafter referred to as the "Act") did by previous Resolution, order the Engineer, NBS Government Finance Group, to prepare and file a report in accordance with *Chapter 1 Article 4* of the Act, *commencing with Section 22565*, in connection with the proposed levy and collection of assessments for the district known and designated as the Fox Hollow/Murphy Springs Landscape Assessment District (**referring only to the Sandalwood Subarea**), (hereafter referred to as the "District"), for the fiscal year commencing July 1, 2002 and ending June 30, 2003; and

WHEREAS, the Engineer has prepared and filed with the City Clerk of the City of Morgan Hill and the City Clerk has presented to the City Council such report entitled "Final Engineer's Annual Levy Report, Fox Hollow/Murphy Springs Landscape Assessment District, Fiscal Year 2002/03" (hereafter referred to as the "Report"); and

WHEREAS, the City Council has carefully examined and reviewed the Report as presented, and is satisfied with each and all of the items and documents as set forth therein, and finds that the levy has been spread in accordance with the special benefits received from the improvements, operation, maintenance and services to be performed, as set forth in said Report; and

NOW THEREFORE, it is hereby resolved, determined, and ordered by the City Council of Morgan Hill for the District, as follows:

Section 1 : That City Council hereby approves the Report as filed.

PASSED AND ADOPTED by the City Council of Morgan Hill at a Regular Meeting held on the 17th Day of July, 2002 by the following vote.

| | |
|-----------------|-------------------------|
| AYES: | COUNCIL MEMBERS: |
| NOES: | COUNCIL MEMBERS: |
| ABSTAIN: | COUNCIL MEMBERS: |
| ABSENT: | COUNCIL MEMBERS: |

🏛️ CERTIFICATION 🏛️

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Resolution No. 5601, adopted by the City Council at the Regular Meeting on July 17th, 2002.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk

RESOLUTION NO. 5602

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL, CALIFORNIA, ORDERING THE LEVY AND COLLECTION OF ASSESSMENTS WITHIN THE FOX HOLLOW/ MURPHY SPRINGS LANDSCAPE MAINTENANCE DISTRICT (REFERRING ONLY TO THE SANDALWOOD SUBAREA), FISCAL YEAR 2002/03

WHEREAS, the City Council has, by previous Resolutions initiated proceedings, and approved the Final Engineer's Annual Levy Report (hereafter referred to as the "Report") as presented or amended which described the assessments against parcels of land within the Fox Hollow/Murphy Springs Landscape Assessment District (**referring only to the Sandalwood Subarea**) (hereafter referred to as the "District") for the fiscal year commencing July 1, 2002 and ending June 30, 2003; pursuant to the provisions of the *Landscape and Lighting Act of 1972, Part 2, Division 15 of the California Streets and Highways Code (commencing with Section 22500)* (hereafter referred to as the "Act") to pay the costs and expenses of operating, maintaining and servicing the improvements located within the District; and,

WHEREAS, The Engineer selected by the City Council has prepared and filed with the City Clerk, and the City Clerk has presented to the City Council, a Report in connection with the proposed levy and collection upon eligible parcels of land within the District, and the City Council did by previous Resolution approve such Report; and,

WHEREAS, the City Council desires to levy and collect assessments against parcels of land within the District for the fiscal year commencing July 1, 2002 and ending June 30, 2003, to pay the costs and expenses of operating, maintaining and servicing the improvements within the District; and,

WHEREAS, the Assessment rates within each Zone are exempt from the assessment balloting procedures set forth in Section 4 SEC. 4 of Proposition 218 because the District and Zones were formed by consent of 100% of the land owners, and the proposed Assessments per lot or parcel are not proposed to increase by more than the assessment rates approved by the landowners at the time of annexation into the District; and,

WHEREAS, the assessment levies are **not** based upon the assessed value of the property within the District, but are based upon the special benefit received by the parcels within the District from the improvements; and,

NOW THEREFORE, it is hereby resolved, determined, and ordered by the City Council of Morgan Hill for the District, as follows:

Section 1 Following notice duly given, the City Council has held a full and fair Public Hearing regarding its Resolution Approving and or Amending the Final Engineer's Annual Levy Report prepared in connection therewith; the levy and collection of assessments, and considered all oral and written statements, protests and communications made or filed by interested persons.

Section 2 Based upon its review (and amendments, as applicable) of the Final Engineer's Annual Levy Report, a copy of which has been presented to the City Council and which has been filed with the City Clerk, the City Council hereby finds and determines that:

- i) the land within the District will receive special benefit by the operation, maintenance, and servicing of landscaping and appurtenant facilities within the boundaries of the District.
- ii) The District includes all of the lands receiving such special benefit.
- iii) the net amount to be assessed upon the lands within the District in accordance with the costs for the fiscal year commencing July 1, 2002 and ending June 30, 2003 is apportioned by a formula and method which fairly distributes the net amount among all eligible parcels in proportion to the estimated special benefit to be received by each parcel from the improvements and services.

Section 3 The Report and assessment as presented to the City Council and on file in the office of the City Clerk are hereby confirmed as filed.

Section 4 The City Council hereby orders the proposed improvements to be made, which improvements are briefly described as follows: turf, shrubs, plants and trees, landscaping, irrigation and drainage systems, graffiti removal, and associated appurtenances within the public right-of-ways or specific easements. Maintenance means the furnishing of services and materials for the ordinary and usual maintenance of landscaping and appurtenant facilities, including repair, removal or replacement of all or part of any of the landscaping or appurtenant facilities; providing for the satisfactory working condition, life, growth, health and beauty of the improvements, including cultivation, irrigation, trimming, spraying, fertilization and treating for disease or injury; the removal of trimmings, rubbish, debris and other solid waste. Services provided include furnishing of water and electricity for the irrigation and control of the landscaping, and all necessary service, operations, administration and maintenance required to keep the improvements in a healthy, vigorous and satisfactory condition.

Section 5 The maintenance, operation and servicing of the landscaping and appurtenant facilities shall be performed pursuant to the Act and the County Auditor of the County of Santa Clara shall enter on the County Assessment Roll opposite each parcel of land the amount of levy, and such levies shall be collected at the same time and in the same manner as the County taxes are collected. After collection by the County, the net amount of the levy shall be paid to the City Treasurer.

Section 6 The City Treasurer shall deposit all money representing assessments collected by the County of Santa Clara for the District to the credit of a fund for the Fox Hollow/Murphy Springs Landscape Assessment District, and such money shall be expended only for the maintenance, operation and servicing of the landscaping and appurtenant facilities as described in Section 4.

Section 7 The adoption of this Resolution constitutes the District levy for the Fiscal Year commencing July 1, 2002 and ending June 30, 2003.

Section 8 The City Clerk is hereby authorized and directed to file the levy with the County Auditor upon adoption of this Resolution.

Section 9 A certified copy of the levy shall be filed in the office of the City Clerk and open for public inspection.

PASSED AND ADOPTED by the City Council of Morgan Hill at a Regular Meeting held on the

17th Day of July, 2002 by the following vote.

AYES: **COUNCIL MEMBERS:**
NOES: **COUNCIL MEMBERS:**
ABSTAIN: **COUNCIL MEMBERS:**
ABSENT: **COUNCIL MEMBERS:**

🏛️ CERTIFICATION 🏛️

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Resolution No. 5602, adopted by the City Council at the Regular Meeting on July 17th, 2002.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk



CITY COUNCIL STAFF REPORT

MEETING DATE: July 17, 2002

Agenda Item # 17

Prepared By:

**Council Services &
Records Manager**

Approved By:

**Director of Community
Development**

Submitted By:

City Manager

APPOINTMENT TO THE MEASURE P UPDATE COMMITTEE

RECOMMENDED ACTIONS:

1. Accept the Council Subcommittee Recommended Appointments to the Measure P Update Committee Per Exhibit "A";
2. Appoint Two Council Members to Serve as Co-chairs to the Measure P Update Committee; and
3. Provide Any Additional Direction Regarding Proposed Amendments to the City's Residential Development Control System (Measure P)

EXECUTIVE SUMMARY:

The City Council appointed Council Members Chang and Sellers to interview citizens interested in serving on the Measure P Update Committee to assist in the development of proposed amendments to Measure P for voter consideration.

Council Members Chang and Sellers interviewed interested citizens and are recommending the Mayor's appointment, with Council concurrence, of the individuals listed on the attached table. Although we were unable to solicit membership from the business community, as originally proposed, Council Members Chang and Sellers believe that these individuals represent a broad cross-section of the community and would do an outstanding job of developing potential changes to Measure P.

Staff is recommending that the City Council appoint two Council Members to Co-chair this Committee. Staff further recommends that the City Council provide direction relating to proposed amendments to Measure P.

Attached is a February 27th memo to the Council which discusses possible amendments to Measure P. At that time, the Council directed the Committee to address the possible amendments identified in the memo along with any additional issues which it deems appropriate. If the Council has additional issues it wishes the Committee to consider, it would be appropriate to raise those issues at this time.

Staff anticipates that the Committee will commence its review of Measure P in August and that proposed amendments would offer its recommendations to the City Council in February of next year.

FISCAL IMPACT: Proposed amendments to Measure P has been identified as a Planning Division Fiscal Year 2002-03 Activity Goal and is accommodated in the Planning Division's Operating budget.

**MEASURE P UPDATE COMMITTEE
PROPOSED MEMBERSHIP**

| REPRESENTATIVE | INDIVIDUAL(S) |
|-------------------------|-------------------------------------|
| City Council (2) | |
| | |
| Planning Commission (2) | Ralph Lyle |
| | Charles Weston |
| School District | Del Foster |
| Affordable Housing | Jan Lindenthal So. Co. Housing |
| Environmental Advocate | Anne Crealock Greenbelt Alliance |
| Home Builders (2) | Dick Oliver |
| | Scott Schilling |
| Community at Large | Catherine Abate |
| | Jeff Bernardini |
| | Bob Engles |
| | Lori Escobar |
| | Bob Graham |
| | Laura Hagiperos |
| | Allen Palmer |
| | Dennis Pinion |
| | George Thomas |
| | Bruce Tichinin |



CITY COUNCIL STAFF REPORT
MEETING DATE: July 17, 2002

Agenda Item # 18

Prepared By:

Asst. to the City Mgr.

Submitted By:

City Manager

TITLE: HAZARDOUS VEGETATION ABATEMENT

1. **Adopt Resolution** Declaring Weeds to be a Nuisance.
2. **Adopt Resolution** Confirming the Santa Clara County Fire Marshal's Office Final Report on the 2002 Hazardous Vegetation Program (Brush and Weed Abatement).
3. **Set July 31, 2002 as the Date for the Public Hearing** Regarding Weed and Brush Abatement.

EXECUTIVE SUMMARY:

The City of Morgan Hill contracts with the Santa Clara County Fire Marshal's Office for hazardous vegetation abatement services. Brush abatement activities, which occur in hazardous fire areas in Morgan Hill, and weed abatement activities, which are done throughout the City, are conducted under the hazardous vegetation program. The hazardous vegetation program helps to reduce the number of complaints from the general public about weed and fire hazards and helps to provide a safer community.

Owners of properties identified as potentially having hazardous weeds were notified in December 2001. Owners of properties with potentially hazardous brush were notified in February 2002. Fire staff have been in contact with property owners to remove the hazardous conditions. In most cases, property owners removed the weeds and brush themselves. For those who did not, the Fire Marshal's Office contracted to have the work done. The abatement work performed by contract will be paid for by an assessment on the property owner's property taxes.

The list of properties where weed and brush abatement has been done by the Fire Marshal's Office contractor will be provided to the Council on July 16, 2002, and will be posted at City Hall as required. Two notices of the public hearing will be published on July 16 and July 19, 2002. Staff will also be mailing a letter to those property owners informing them of the July 31, 2002 public hearing regarding this matter.

The first Resolution recommended for adoption does the following:

1. Declares weeds to be a nuisance.
2. Orders the abatement and removal of weeds.
3. Sets a public hearing to allow the public to speak on the issue of weed abatement.

The second Resolution recommended for adoption does the following:

1. Confirms the Fire Marshal's Office Final Report on Brush and Weed Abatement.

FISCAL IMPACT:

The Hazardous Vegetation Program, which includes both weed and brush abatement, is user fee supported. The per lot assessment includes costs for doing the weed control work plus the overhead cost to provide the service.

RESOLUTION NO. 5603

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL DECLARING CERTAIN WEEDS GROWING IN THE CITY OF MORGAN HILL TO BE A PUBLIC NUISANCE, DESCRIBING PROPERTIES WHERE SUCH NUISANCE EXISTS; ORDERING ABATEMENT AND SETTING A PUBLIC HEARING THEREON.

WHEREAS, the City Council finds that the removal of flammable vegetation from within 30-feet of structures; cleaning roofs, eaves and rain gutters of flammable materials, and trimming tree limbs within 10-feet of chimneys and/or stovepipes, trimming of dead limbs hanging over the house or garage, covering chimney outlets or flues with spark arresting ½" mesh screen and addresses clearly visible for easy identification in an emergency will greatly reduce the risk of loss or damage to homes in the event of a hillside fire; and

WHEREAS, the Council further finds and declares that said weeds constitutes a public nuisance;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MORGAN HILL AS FOLLOWS:

1. That the weeds, as described in the above recital, do now constitute and will continue to constitute a public nuisance, and it is ordered that this public nuisance be abated in the manner provided by Ordinance No. 222, New Series, Title VIII, Chapter 8.20 of the Morgan Hill Municipal Code.

2. Non-compliant properties will be declared to present a fire hazard to violations of the hazardous fire area regulations of the City Fire Code. The non-compliant private properties within said City as shown, described and delineated on the several maps of the property in the City, which are recorded in the Office of the County Recorder of the County of Santa Clara, reference in each instance for the description of private property being hereby made to the several maps mentioned, and in the event of there being several subdivision maps on which lots are shown, reference is hereby made to the latest subdivision map.

3. That it is ordered that Wednesday, the 31st day of July, 2002 at 7:30 p.m., in the Council Chambers of the City Council of the City of Morgan Hill is hereby fixed as the time and place when objections to the destruction or removal of weeds shall be heard and given due consideration.

4. That the City Clerk of the City of Morgan Hill is hereby ordered and directed to cause notice of the adoption of this Resolution and notice of hearing to be given in the manner and form provided in Ordinance No. 222, New Series, and to cause notice to be published twice in the Morgan Hill Times, a newspaper of general circulation and printed and published in the City of Morgan Hill

at least ten (10) days prior to the hearing, and notice to property owners pursuant to Section 39562.1 of the Government Code.

PASSED AND ADOPTED by the City Council of the City of Morgan Hill at a regular meeting held on the 17th day of July 2002 by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

🏛️ CERTIFICATION 🏛️

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Resolution No. 5603, adopted by the City Council at a Regular Meeting held on July 17, 2002.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk

RESOLUTION NO. 5604

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL CONFIRMING THE REPORT OF THE SANTA CLARA COUNTY FIRE MARSHAL SETTING FORTH THE DESCRIPTION OF PROPERTY AND THE OWNERS OF PARCELS OF LAND THEREOF OF THE GROWING OF HAZARDOUS VEGETATION AND ORDERING THE HAZARDOUS WEED AND BRUSH NUISANCE TO BE ABATED BY HAVING THE WEEDS AND BRUSH REFERRED TO DESTROYED OR REMOVED.

Whereas, pursuant to the authority given by Ordinance No. 222, N.S., the City Council, on the 7th day of November 2001, adopted Resolution No. 5532 declaring hazardous vegetation growing in the City of Morgan Hill to be a nuisance and directing the City Clerk of the City of Morgan Hill to give notice of the passage of the Resolution by posting and publication in the same manner and for the same time as set forth in Ordinance No. 222, N.S., and the City Clerk did cause said Notice to be so given; and

Whereas, Resolution No. 5532 fixed December 5, 2001 at 7:30 p.m, in the Council Chambers, located at the Civic Center, 17555 Peak Avenue, in the City of Morgan Hill, California, as the time and place for the hearing provided for in Ordinance No. 222, N.S.; and

Whereas, the hearing was held in accordance with the Resolution; and

Whereas, pursuant to the authority given by Ordinance No. 222, N.S., the City Council, on the 5th day of June 2002, adopted Resolution No. 5570 declaring certain hazardous brush growing in the City of Morgan Hill and directing the City Clerk of the City of Morgan Hill to give notice of the passage of the Resolution by posting and publication in the same manner and for the same time as set forth in Ordinance No. 222, N.S., and the City Clerk did cause said Notice to be so given; and

Whereas, Resolution No. 5570 fixed June 19, 2002 at 7:30 p.m, and continued to July 10, 2002, in the Council Chambers, located at the Civic Center, 17555 Peak Avenue, in the City of Morgan Hill, California, as the time and place for the hearing provided for in Ordinance No. 222, N.S., and the Notice given by the City Clerk included a statement of the time and place of hearing; and

Whereas, the hearing was held in accordance with the Resolution and notice and no objections were made to the proposed removal and destruction of brush; and

Whereas, the Santa Clara County Fire Marshal's Office will provide a Final Report on the Hazardous Vegetation Program to the Council on July 16, 2002; and

Whereas, the Final Report will identify properties which required brush and/or weed abatement by the Santa Clara County Fire Marshal's Office contractor in 2002; and

Whereas, the Final Report shall be posted at City Hall on July 16, 2002.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Morgan Hill that the Final Report of the Santa Clara County Fire Marshal is hereby accepted and confirmed.

PASSED AND ADOPTED by the City Council of Morgan Hill at a Regular Meeting held on the 17th day of July 2002, by the following vote.

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

🏛️ CERTIFICATION 🏛️

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Resolution No. 5604, adopted by the City Council at a Regular Meeting held on July 17th, 2002.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk



CITY COUNCIL STAFF REPORT

MEETING DATE: July 17, 2002

ADOPT ORDINANCE NO. 1566, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO ORDINANCE NO. 1523, NEW SERIES, TO AMEND THE DEVELOPMENT AGREEMENT TO INCORPORATE A SIX MONTH EXCEPTION TO LOSS OF BUILDING ALLOCATION FOR APPLICATION MP 00-22: COCHRANE - DIVIDEND (APNs 728-42-008, 017; AND 728-43-021).

Agenda Item # 19

Prepared By:

Deputy City Clerk

Approved By:

City Clerk

Submitted By:

City Manager

RECOMMENDED ACTION(S): Motion to Adopt Ordinance No. 1566, New Series.

EXECUTIVE SUMMARY:

On June 19, 2002 , the City Council Introduced Ordinance No. 1566, New Series, by the Following Roll Call Vote: AYES: Carr, Chang, Tate; NOES: None; ABSTAIN: None; ABSENT: Kennedy, Sellers.

FISCAL IMPACT: None. Filing fees were paid to the City to cover the cost of processing this application.

ORDINANCE NO. 1566, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO ORDINANCE NO. 1523, NEW SERIES, TO AMEND THE DEVELOPMENT AGREEMENT TO INCORPORATE A SIX MONTH EXCEPTION TO LOSS OF BUILDING ALLOCATION FOR APPLICATION MP 00-22: COCHRANE - DIVIDEND (APNs 728-42-008, 017; AND 728-43-021). DAA 01-06: COCHRANE-COYOTE ESTATES

THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY ORDAINS AS FOLLOWS:

SECTION 1. The City Council has adopted Resolution No. 4028 establishing a procedure for processing Development Agreements for projects receiving allotments through the Residential Development Control System, Title 18, Chapter 18.78 of the Municipal Code.

SECTION 2. The California Government Code Sections 65864 thru 65869.5 authorizes the City of Morgan Hill to enter into binding Development Agreements with persons having legal or equitable interests in real property for the development of such property.

SECTION 3. The Planning Commission and City Council, pursuant to Title 18, Chapter 18.78.125 of the Municipal Code and Resolution No. 01-32, adopted May 22, 2001 and City Council Resolution No. 5473 approved July 11, 2001, has awarded allotments to a certain project herein after described as follows:

| <u>Project</u> | <u>Total Dwelling Units</u> |
|-----------------------------------|-----------------------------|
| MP 00-22: Cochrane-Dividend Homes | 5 for FY 2001-02 |

SECTION 4. The City Council hereby finds that the development agreement amendment approved by this ordinance is compatible with the goals, objectives, policies, and land uses designated by the General Plan of the City of Morgan Hill.

SECTION 5. Effective Date Publication. This ordinance shall take effect thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

SECTION 6. EXCEPTION TO LOSS OF BUILDING ALLOCATION. The project applicant has in a timely manner, submitted necessary planning applications to pursue development. The applicant is requesting to amend the approved development agreement to allow for a six-month extension of time for 5 building allotments, due to delays not the result of developer inaction. Delays in the project processing have occurred due to extended environmental review. Exception to Loss of Building Allocation, extending the time for commencement of construction for 5 units from June 30, 2002 to December 30, 2002 is granted.

SECTION 7. Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 8. AMENDMENT TO PARAGRAPH 14, ADDING THE FOLLOWING SUBSECTION (v). The project shall provide the following information, by address for each unit, to the Community Development Department:

- Date of sale
- The number of bedrooms.
- The final sales price

This information shall be reported on an annual basis for the calendar year and is due to the City by March 30 of the following year for every year until the project is completed and all units are sold.

SECTION 9. Exhibit B of the development agreement is amended to read as follows:

EXHIBIT "B"

Amendment to Exhibit "B" of DA -01-06: Cochrane-Coyote Estates

**DEVELOPMENT SCHEDULE MP-00-22: Cochrane-Dividend Homes
FY 2001-2002, FY 2002-2003**

| | | |
|--------------|---|---|
| I. | SUBDIVISION AND ZONING APPLICATIONS Applications Filed: | July 31, 2001 |
| II. | SITE REVIEW APPLICATION Application Filed: | July 31, 2001 |
| III. | FINAL MAP SUBMITTAL Map, Improvements Agreement and Bonds: | March 1, 2002 |
| IV. | BUILDING PERMIT SUBMITTAL Submit plans to Building Division for plan check: | April 2, 2002 |
| V. | PULL BUILDING PERMITS-FY 2001-02 <u>5 permits</u> must be pulled from the Building Division: | May 8, 2002 November 8, 2002 |
| VI. | COMMENCE CONSTRUCTION-FY 2001-02 Construction must have begun on 5 permits. | June 30, 2002 December 30, 2002 |
| VII. | PULL BUILDING PERMITS-FY 2002-03 <u>11 permits</u> must be pulled from the Building Division: | May 8, 2003 |
| VIII. | COMMENCE CONSTRUCTION-FY 2002-03 Construction must have begun on 11 permits. | June 30, 2003 |

Failure to obtain building permits and commence construction by the date listed above, shall result in the loss of building allocations. Submittal of a Final Map Application or a Building Permit Application, six (6) or more months beyond the filing dates listed above shall result in applicant being charged a processing fee equal to double the building permit plan check fee and/or double the map checking fee to recoup the additional costs incurred in processing the applications within the required time limits. Additional, failure to meet the Final Map Submittal, Building Permit Submittal, or Pull Permit deadlines listed above may result in loss of building allocations. In such event, the property owner must re-apply under the development allotment process outlined in Section 18.78.090 of the Municipal Code if development is still desired.

An exception to the loss of allocation may be granted by the City Council if the cause for the lack of commencement was the City's failure to grant a building permit for the project due to an emergency situation as defined in Section 18.78.140 or extended delays in environmental reviews, permit delays not the result of developer inactions, or allocation appeals processing.

If a portion of the project has been completed (physical commencement on at least 5 dwelling units and lot improvements have been installed according to the plans and specifications), the property owner may submit an application for reallocation of allotments. Distribution of new building allocations for partially completed project shall be subject to the policies and procedures in place at the time the reallocation is requested.

The foregoing ordinance was introduced at a regular meeting of the City Council of the City of Morgan Hill held on the 19th Day of June, 2002 and was finally adopted at a regular meeting of said Council on the 17th day of July, 2002 and said ordinance was duly passed and adopted in accordance with law by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:

ATTEST:

APPROVED:

Irma Torrez, City Clerk

Dennis Kennedy, Mayor

🏛️ CERTIFICATE OF THE CITY CLERK 🏛️

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. 1566, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the 17th day of July, 2002.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk



CITY COUNCIL STAFF REPORT

MEETING DATE: July 17, 2002

ADOPT ORDINANCE NO. 1567, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO ORDINANCE NO. 1530, NEW SERIES, AMENDING THE DEVELOPMENT AGREEMENT FOR APPLICATION MP 99-26: MALAGUERRA-ANSUINI/MANCIAS TO INCORPORATE A SIX MONTH EXCEPTION TO LOSS OF BUILDING ALLOCATION AND REVISIONS TO PARAGRAPH 14 (APN 728-35-016; 728-35-017)

Agenda Item # 20

Prepared By:

Deputy City Clerk

Approved By:

City Clerk

Submitted By:

City Manager

RECOMMENDED ACTION(S): Motion to Adopt Ordinance No. 1567, New Series.

EXECUTIVE SUMMARY:

On June 19, 2002 , the City Council Introduced Ordinance No. 1567, New Series, by the Following Roll Call Vote: AYES: Carr, Chang, Tate; NOES: None; ABSTAIN: None; ABSENT: Kennedy, Sellers.

FISCAL IMPACT: None. Filing fees were paid to the City to cover the cost of processing this application.

ORDINANCE NO. 1567, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO ORDINANCE NO. 1530, NEW SERIES, AMENDING THE DEVELOPMENT AGREEMENT FOR APPLICATION MP 99-26: MALAGUERRA-ANSUINI/MANCIAS TO INCORPORATE A SIX MONTH EXCEPTION TO LOSS OF BUILDING ALLOCATION AND REVISIONS TO PARAGRAPH 14 (APN 728-35-016; 728-35-017) DAA 00-05: MALAGUERA-MANCIAS

THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY ORDAINS AS FOLLOWS:

SECTION 1. The City Council has adopted Resolution No. 4028 establishing a procedure for processing Development Agreements for projects receiving allotments through the Residential Development Control System, Title 18, Chapter 18.78 of the Municipal Code.

SECTION 2. The California Government Code Sections 65864 thru 65869.5 authorizes the City of Morgan Hill to enter into binding Development Agreements with persons having legal or equitable interests in real property for the development of such property.

SECTION 3. Pursuant to Title 18, Chapter 18.78.25 of the Municipal Code, the Planning Commission and City Council respectively adopted Resolution No. 00-03 on March 14, 2000 and Resolution No. 5470 on May 2, 2001, and awarded allotments to a certain project herein after described as follows:

| <u>Project</u> | <u>Total Dwelling Units</u> |
|--------------------------------------|-----------------------------|
| MP 99-26: Malaguerra-Ansuini/Mancias | 7 units for FY 2001-02 |
| | 6 units for FY 2002-03 |

SECTION 4. References are hereby made to a certain Agreement on file in the office of the City Clerk of the City of Morgan Hill.

This document, signed by the City of Morgan Hill and the property owner, sets forth in detail and development schedule, the types of homes, and the specific restrictions on the development of the subject property. Said Agreement herein above referred to is amended by this ordinance and shall be binding on all future owners and developers as well as the present owners of the lands, and any substantial change can be made only after further public hearings before the Planning Commission and the City Council.

SECTION 5. The City Council hereby finds that the development agreement amendment approved by this ordinance is compatible with the goals, objectives, policies, and land uses designated by the General Plan of the City of Morgan Hill.

SECTION 6. Authority is hereby granted for the City Manager to execute all development agreements approved by the City Council during the Public Hearing Process.

SECTION 7. Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 8. Effective Date Publication. This ordinance shall take effect thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

SECTION 9. EXCEPTION TO LOSS OF BUILDING ALLOCATION. The project applicant has in a timely manner, submitted necessary planning applications to pursue development. The delay experienced by this project was due to the requirement to make up two Measure P points lost as a result of the elimination of a through street, and redesign of the internal roadway. The delays are not a result of the developer's inaction and therefore, a six month Exception to Loss of Building Allocation, extending the time for commencement of construction for 7 units from June 30, 2002 to December 30, 2002 is granted.

SECTION 10. AMENDMENT TO PARAGRAPH 14, ADDING THE FOLLOWING SUBSECTION (r). The project shall provide the following information, by address for each unit, to the Community Development Department:

- Date of sale
- The number of bedrooms.
- The final sales price

This information shall be reported on an annual basis for the calendar year and is due to the City by March 30 of the following year for every year until the project is completed and all units are sold.

SECTION 11. AMENDMENT TO PARAGRAPH 14, ADDING THE FOLLOWING TO SUBSECTION (i) AND AMENDING SUBSECTION (n), AS FOLLOWS:

- (i) Property Owner agrees to include the following open space and landscape improvements in the development:
 - (xi) *Provide steps to and pathway along the open space/creek area.***
- (n) The property owner agrees to provide the following circulation improvements:
 - (iv) Install low maintenance walkways on-site, and ~~along the creek~~; provide steps to and pathway along the open space/creek area.
 - (v) ~~Provide for the future extension of Mancias Drive to Peet Road. Should the City decide not to extend Mancias Drive to Peet Road, Property Owner shall provide an alternate Measure P commitment valued at the same number of points.~~
In order to make up the two points lost with the elimination of the through street, the Property Owner shall provide steps to and a pathway along the open space/creek area (one point). The project master plan was also deemed 'above average' under the Orderly and Contiguous Development category (one point).

SECTION 12. Exhibit B of the development agreement is amended to read as follows:

EXHIBIT "B"

FY 2001-2002 (7 UNITS), FY 2002-2003 (6 UNITS)
DEVELOPMENT SCHEDULE MP-99-26: MALAGUERRA - ANSUINI/MANCIAS

- | | |
|--|--|
| I. SUBDIVISION AND ZONING APPLICATIONS Applications Filed: | November 21, 2000 |
| | |
| II. SITE REVIEW APPLICATION Application Filed: | April 27, 2001 |
| | |
| III. FINAL MAP SUBMITTAL Map, Improvements Agreement and Bonds: | October 1, 2001 |
| | |
| IV. BUILDING PERMIT SUBMITTAL Submit plans to Building Division for plan check: FY 2001-2002 (7 units) FY 2002-2003 (6 units) | January 15, 2002 January 15, 2003 |
| | |
| V. BUILDING PERMITS Obtain Building Permits: FY 2001-2002 (7 units) FY 2002-2003 (6 units) Commence Construction: FY 2001-2002 (7 units) FY 2002-2003 (6 units) | April 1, 2002 October 1, 2002 April 1, 2003 June 30, 2002 December 30, 2002 June 30, 2003 |

Failure to obtain building permits and commence construction by the date listed in Section V. above, shall result in the loss of building allocations. Submitting a Final Map Application or a Building Permit under Sections III. and IV., respectively, two (2) or more months beyond the filing dates listed above, shall result in applicant being charged a processing fee equal to double the building permit plan check fee and/or double the map checking fee to recoup the additional costs incurred in processing the applications within the required time limits. Additionally, failure to meet the Final Map Submittal and Building Permit Submittal deadlines listed above, Sections III. and IV., respectively, may result in loss of building allocations. In such event, the property owner must re-apply under the development allotment process outlined in Section 18.78.090 of the Municipal Code if development is still desired.

An exception to the loss of allocation may be granted by the City Council if the cause for the lack of commencement was the City's failure to grant a building permit for the project due to an emergency situation as defined in Section 18.78.140 or extended delays in environmental reviews, permit delays not the result of developer inactions, or allocation appeals processing.

If a portion of the project has been completed (physical commencement on at least seven (7) dwelling units and lot improvements have been installed according to the plans and specifications), the property owner may submit an application for reallocation of allotments. Distribution of new building allocations for partially completed project shall be subject to the policies and procedures in place at the time the reallocation is requested.

The foregoing ordinance was introduced at a regular meeting of the City Council of the City of Morgan Hill held on the 19th Day of June, 2002 and was finally adopted at a regular meeting of said Council on the 17th Day of July, 2002 and said ordinance was duly passed and adopted in accordance with law by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:

ATTEST:

APPROVED:

Irma Torrez, City Clerk

Dennis Kennedy, Mayor

☪ CERTIFICATE OF THE CITY CLERK ☪

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No., 1567, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the 17th Day of July, 2002.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk



CITY COUNCIL STAFF REPORT

MEETING DATE: July 17, 2002

ADOPT ORDINANCE NO. 1568, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO ORDINANCE NO. 1516, NEW SERIES, TO AMEND THE DEVELOPMENT AGREEMENT AMENDMENT TO INCORPORATE A ONE YEAR EXCEPTION TO LOSS OF BUILDING ALLOCATION FOR APPLICATION MP 00-01: BERKSHIRE-SINGH (APN 764-23-054.)

Agenda Item # 21

Prepared By:

Deputy City Clerk

Approved By:

City Clerk

Submitted By:

City Manager

RECOMMENDED ACTION(S): Motion to Adopt Ordinance No. 1568, New Series.

EXECUTIVE SUMMARY:

On June 19, 2002 , the City Council Introduced Ordinance No. 1568, New Series, by the Following Roll Call Vote: AYES: Carr, Chang, Tate; NOES: None; ABSTAIN: None; ABSENT: Kennedy, Sellers.

FISCAL IMPACT: None. Filing fees were paid to the City to cover the cost of processing this application.

ORDINANCE NO. 1568, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO ORDINANCE NO. 1516, NEW SERIES, TO AMEND THE DEVELOPMENT AGREEMENT AMENDMENT TO INCORPORATE A ONE YEAR EXCEPTION TO LOSS OF BUILDING ALLOCATION FOR APPLICATION MP 00-01: BERKSHIRE-SINGH (APN 764-23-054.) DAA 00-08: BERKSHIRE-SINGH

THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY ORDAINS AS FOLLOWS:

SECTION 1. The City Council has adopted Resolution No. 4028 establishing a procedure for processing Development Agreements for projects receiving allotments through the Residential Development Control System, Title 18, Chapter 18.78 of the Municipal Code.

SECTION 2. The California Government Code Sections 65864 thru 65869.5 authorizes the City of Morgan Hill to enter into binding Development Agreements with persons having legal or equitable interests in real property for the development of such property.

SECTION 3. The Planning Commission, pursuant to Title 18, Chapter 18.78.125 of the Municipal Code and Resolution No. 01-17, adopted April 25, 2000, has awarded allotments to a certain project herein after described as follows:

| <u>Project</u> | <u>Total Dwelling Units</u> |
|---------------------------|-----------------------------|
| MP 00-01: Berkshire-Singh | 1 for FY 1999-2000 |
| | 3 for FY 2000-2001 |

SECTION 4. The City Council hereby finds that the development agreement amendment approved by this ordinance is compatible with the goals, objectives, policies, and land uses designated by the General Plan of the City of Morgan Hill.

SECTION 5. Effective Date Publication. This ordinance shall take effect thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

SECTION 6. EXCEPTION TO LOSS OF BUILDING ALLOCATION. The project applicant has in a timely manner, submitted necessary planning applications to pursue development. The applicant is requesting to amend the approved development agreement amendment to allow for a one-year extension of time for 4 building allotments, due to delays not the result of developer inaction. Delays in the project processing have occurred due to extended County Roads Department processing of the Subdivision Improvement plans for the Hale Avenue street frontage. Exception to Loss of Building Allocation, extending the time for commencement of construction for 4 units from June 30, 2002 to June 30, 2003 is granted.

SECTION 7. Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 8. AMENDMENT TO PARAGRAPH 14, ADDING THE FOLLOWING SUBSECTION (v). The project shall provide the following information, by address for each unit, to the Community Development Department:

- Date of sale
- The number of bedrooms.
- The final sales price

This information shall be reported on an annual basis for the calendar year and is due to the City by March 30 of the following year for every year until the project is completed and all units are sold.

SECTION 9. Exhibit B of the development agreement is amended to read as follows:

EXHIBIT "A"

Amendment to Exhibit "B" of DA -00-08: Berkshire-Singh

**FY 1999-2000, FY 2000-2001 DEVELOPMENT SCHEDULE
MP-00-01: BERKSHIRE - SINGH**

| | | |
|-------------|--|---|
| I. | SUBDIVISION AND ZONING APPLICATIONS | |
| | Applications Filed: | May 30, 2000 |
| II. | SITE REVIEW APPLICATION | |
| | Application Filed: | November 1, 2000 |
| III. | FINAL MAP SUBMITTAL | |
| | Map, Improvements Agreement and Bonds: | November 15, 2000 |
| IV. | BUILDING PERMIT SUBMITTAL | |
| | Submit plans to Building Division for plan check: | |
| | FY 1999-2000 (1 unit): | February 1, 2001 February 1, 2003 |
| | FY 2000-2001 (3 units): | February 1, 2001 February 1, 2003 |
| V. | BUILDING PERMITS | |
| | Obtain Building Permits: | |
| | FY 1999-2000 (1 unit): | June 30, 2001 April 1, 2003 |
| | FY 2000-2001 (3 units): | June 30, 2001 April 1, 2003 |
| | Commence Construction: | |
| | FY 1999-2000 (1 unit): | June 30, 2001 June 30, 2003 |
| | FY 2000-2001 (3 units): | June 30, 2001 June 30, 2003 |

Failure to obtain building permits and commence construction by the date listed above, shall result in the loss of building allocations. Submittal of a Final Map Application or a Building Permit Application, six (6) or more months beyond the filing dates listed above shall result in applicant being charged a processing fee equal to double the building permit plan check fee and/or double the map checking fee to recoup the additional costs incurred in processing the applications within the required time limits. Additional, failure to meet the Final Map Submittal, Building Permit Submittal, or Pull Permit deadlines listed above may result in loss of building allocations. In such event, the property owner must re-apply under the development allotment process outlined in Section 18.78.090 of the Municipal Code if development is still desired.

An exception to the loss of allocation may be granted by the City Council if the cause for the lack of commencement was the City's failure to grant a building permit for the project due to an emergency situation as defined in Section 18.78.140 or extended delays in environmental reviews, permit delays not the result of developer inactions, or allocation appeals processing.

If a portion of the project has been completed (physical commencement on at least 4 dwelling units and lot improvements have been installed according to the plans and specifications), the property owner may submit an application for reallocation of allotments. Distribution of new building allocations for partially completed project shall be subject to the policies and procedures in place at the time the reallocation is requested.

The foregoing ordinance was introduced at a regular meeting of the City Council of the City of Morgan Hill held on the 19th day of June, 2002 and was finally adopted at a regular meeting of said Council on the 17th Day of July, 2002, and said ordinance was duly passed and adopted in accordance with law by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:

ATTEST:

APPROVED:

Irma Torrez, City Clerk

Dennis Kennedy, Mayor

🏛️ CERTIFICATE OF THE CITY CLERK 🏛️

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. 1568, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the 17th Day of July, 2002.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk



CITY COUNCIL STAFF REPORT

MEETING DATE: July 17, 2002

Agenda Item # 22

Prepared By:

Deputy City Clerk

Approved By:

City Clerk

Submitted By:

City Manager

ADOPT ORDINANCE NO. 1569, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING SECTION 3.50.050(1)(C) (Schedule of fees and service charges) OF CHAPTER 3.50 (Fee and Service Charge Revenue/Cost Comparison System) OF TITLE 3 (Revenue and Finance) OF THE MUNICIPAL CODE OF THE CITY OF MORGAN HILL REGARDING USER FEES AND SERVICE CHARGES

RECOMMENDED ACTION(S): Motion to Adopt Ordinance No. 1569, New Series.

EXECUTIVE SUMMARY:

On July 10, 2002, the City Council Introduced Ordinance No. 1569, New Series, by the Following Roll Call Vote: AYES: Carr, Chang, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: None.

FISCAL IMPACT: Staff recommends that the new fee adjustments be implemented effective September 17, 2002, and that all applicants who file complete applications by September 16, 2002, be allowed to pay existing fees. If the City Council adopts all proposed fees, the City would more accurately recover its costs; and, in general, collect from those using City services the full cost incurred by the city, except for Planning, certain Building, and Engineering. However, if those limited fee increases are not adopted, it would be necessary to reduce the proposed 2002/03 Community Development Fund budget.

ORDINANCE NO. 1569, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING SECTION 3.50.050(1)(C) (Schedule of fees and service charges) OF CHAPTER 3.50 (Fee and Service Charge Revenue/Cost Comparison System) OF TITLE 3 (Revenue and Finance) OF THE MUNICIPAL CODE OF THE CITY OF MORGAN HILL REGARDING USER FEES AND SERVICE CHARGES

WHEREAS, on September 7, 1988, the City Council of the City of Morgan Hill adopted Ordinance No. 880, N.S., codified as Chapter 3.50 of the Morgan Hill Municipal Code, which establishes city policy as to the percentage of the City's costs to be recovered from users of City services; and,

WHEREAS, consistent with Chapter 3.50, City policy is to recover the full cost of providing special services of a voluntary and limited nature, such that general tax monies used to fund services of a broader nature, such as police and fire protection, are not diverted and thereby utilized to unfairly and inequitably fund special services; and,

WHEREAS, in order to effectuate its cost recovery policy the City Council has adopted various resolutions setting forth fees and charges, including Resolution No. 5128; and,

WHEREAS, in a report dated May 2002, by DMG Maximus, the City of Morgan Hill conducted an extensive and exhaustive analysis of its services, the costs of providing those services, the beneficiaries of those services, and the revenues produced by those paying fees and charges for those services; and,

WHEREAS, City staff has provided information regarding the costs of providing services and the analytical process used to arrive at such costs to the general public, and has held two public information sessions regarding the same; and,

WHEREAS, on June 26th and July 17th, 2002, the City Council held noticed public hearings on the fees, and duly considered all written and verbal information presented to it, which testimony and exhibits are hereby incorporated into the record of this matter.

NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF MORGAN HILL, CALIFORNIA DOES ORDAIN AS FOLLOWS:

//
//
//

SECTION 1. Section 3.50.040(1)(C) (Schedule of fees and service charges) of the Municipal Code of the City of Morgan Hill is hereby amended to provide:

“C. The hereinabove services as listed in this section shall be as defined in that certain document entitled ~~"Cost Study Update For The City of Morgan Hill, California," dated December 1994, as produced by Management Services Institute, Incorporated~~ **"Cost Recovery Study Findings, City of Morgan Hill, California," dated May 2002, by DMG Maximus,** and as updated periodically by city staff.”

SECTION 2. Severability. Should any provision of this ordinance be adjudged invalid by a court of competent jurisdiction, that portion shall be severed and the rest of the ordinance shall remain in effect and enforceable.

SECTION 3. Exemption from CEQA. Pursuant to Title 14, California Code of Regulations, Sections 15061 and 15273(a), the City Council finds that this ordinance is exempt from the California Environmental Quality Act.

SECTION 4. Effective Date; Publication. This Ordinance shall take effect from and after sixty (60) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

The foregoing ordinance was introduced at a special meeting of the City Council of the City of Morgan Hill held on the 10th Day of July, 2002 and was finally adopted at a regular meeting of said Council on the 17th Day of July,, 2002 and said ordinance was duly passed and adopted in accordance with law by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:

ATTEST:

APPROVED:

Irma Torrez, City Clerk

Dennis Kennedy, Mayor

🦉 CERTIFICATE OF THE CITY CLERK 🦉

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. 1569, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the 17th Day of July, 2002.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk



CITY COUNCIL STAFF REPORT

MEETING DATE: July 17, 2002

ADOPT ORDINANCE NO. 1570, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING SECTIONS 3.56.010(1)(F), 3.56.010(1)(J), 3.56.010(1)(M), 3.56.050, AND 3.56.160(1)(A) OF CHAPTER 3.56 (Development Impact Mitigation Fees) of TITLE 3 (Revenue and Finance) OF THE MUNICIPAL CODE OF THE CITY OF MORGAN HILL REGARDING DEVELOPMENT IMPACT MITIGATION FEES

Agenda Item # 23

Prepared By:

Deputy City Clerk

Approved By:

City Clerk

Submitted By:

City Manager

RECOMMENDED ACTION(S): Motion to Adopt Ordinance No. 1570, New Series.

EXECUTIVE SUMMARY:

On July 10, 2002, the City Council Introduced Ordinance No. 1570, New Series, by the Following Roll Call Vote: AYES: Carr, Chang, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: None.

FISCAL IMPACT: If the City Council adopts the proposed fees, the City would collect from new development the cost of new facilities to the extent that the facilities benefit new development. The amount to be collected from future development, as projected until build-out, for the eight impact fees with proposed adjustments would be \$194,992,490.

ORDINANCE NO. 1570, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING SECTIONS 3.56.010(1)(F), 3.56.010(1)(J), 3.56.010(1)(M), 3.56.050, AND 3.56.160(1)(A) OF CHAPTER 3.56 (Development Impact Mitigation Fees) OF TITLE 3 (Revenue and Finance) OF THE MUNICIPAL CODE OF THE CITY OF MORGAN HILL REGARDING DEVELOPMENT IMPACT MITIGATION FEES

WHEREAS, new development within the City of Morgan Hill will result in additional population and business growth, and such growth will place additional burdens on various city facilities, infrastructure and services, requiring construction of expanded and/or new city facilities and services; and,

WHEREAS, all development within the City of Morgan Hill should bear a proportionate financial burden in the construction and improvement of public facilities and services which are necessary to serve the growth engendered by such development; and,

WHEREAS, the imposition of development impact fees is the preferred method of ensuring that new development bears its proportionate share of the cost of public facilities and service improvements; and,

WHEREAS, imposition of impact fees to finance public facilities and service improvements required by new development is necessary in order to avoid adversely impacting existing facilities and services; and,

WHEREAS, consistent with these principles, Chapter 3.56 of the Municipal Code of the City of Morgan Hill establishes Development Impact Mitigation Fees; and,

WHEREAS, Section 3.56.060 of the Municipal Code of the City of Morgan Hill provides for revision of established fees, including increases, by resolution; and,

WHEREAS, the City Council of the City of Morgan Hill has received and duly considered the reports entitled “Development Impact Fee Study,” dated May 9, 2002, authored by DMG Maximus and “Water and Sewer Rate and Connection Fee Study” dated May 17, 2002, by Hilton Farnkopf & Hobson, LLC (“Hilton”); and,

WHEREAS, based upon the DMG Maximus and Hilton reports, and the evidence presented to it, the City Council deems it necessary that development impact fees be adjusted to ensure that new development in the city pays its proportionate share of public facilities and service improvements necessary to accommodate such development in order to promote the public health, safety and welfare; and,

WHEREAS, the adjustment of development impact fees necessitates minor revisions to the

Municipal Code provisions regarding such fees; and,

WHEREAS, a public hearing on adoption of this ordinance was duly noticed, and held as part of a special City Council meeting held on June 26, 2002, and again as part of a regularly scheduled City Council meeting held on July 17, 2002, at 7:30 p.m. in the Council chambers located at City Hall, 17555 Peak Avenue; and,

WHEREAS, the City Council has received and duly considered all written and verbal comments provided to it by staff and the public, which comments are hereby incorporated into the record on this matter; and,

WHEREAS, the City Council hereby incorporates the findings made in Municipal Code section 3.56.010, and applies them in support of the adoption of this Ordinance.

NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF MORGAN HILL, CALIFORNIA DOES ORDAIN AS FOLLOWS:

SECTION 1. Section 3.56.010(1)(F) of the Municipal Code of the City of Morgan Hill is hereby amended to provide:

“F. The city adopts the reports referenced in the preamble of the ordinance codified in this chapter as prepared by consultants MSI, ARI, ~~and~~ DKS, **DMG Maximus, and Hilton Farnkopf and Hobson**, and as respectively titled and dated, which establish various costs for providing various public facilities and service improvements occasioned by development projects within the city.”

SECTION 2. Section 3.56.010(1)(J) of the Municipal Code of the City of Morgan Hill is hereby amended to provide:

“J. The public facilities and anticipated future development referenced in this chapter are based upon an analysis of existing **and projected** land use and zoning.”

SECTION 3. Section 3.56.010(1)(M) of the Municipal Code of the City of Morgan Hill is hereby amended to provide:

“M. The city has pending before it subdivision maps and other applications for residential, commercial and industrial development approval which the city must act upon. Further, the city has heretofore approved various development projects in the form of tentative maps or other approvals, which have been expressly conditioned on payment of the fees established as a result of the development impact fee study undertaken by consultants MSI, ARI, ~~and~~ DKS, **DMG Maximus, and Hilton Farnkopf and Hobson**, and the condition was assented to by the developers of these projects. It is necessary for the provisions of this chapter to apply to these developments in order to protect the public health, safety and welfare by the provision of adequate public facilities, to afford developers certainty with regard to their

financial obligations, and to ensure that such development will not create a burden on the interrelated public facilities and services networks of the city.”

SECTION 4. Section 3.56.050 of the Municipal Code of the City of Morgan Hill is hereby amended to provide:

“Each fee imposed by this chapter shall be adjusted automatically on July 1st of each fiscal year, ~~beginning on July 1, 1994,~~ by a percentage equal to the Engineering Cost Index as published by Engineer News Record for the preceding twelve months. This automatic adjustment shall not apply to fees which are based on variable factors which result in automatic adjustments or those which specifically indicate otherwise.”

SECTION 5. Section 3.56.160(1)(A) of the Municipal Code of the City of Morgan Hill is hereby amended to provide:

“A. ~~Except for the first year the ordinance codified in this chapter is in effect, no~~ **No** later than six months following the end of each fiscal year, the city manager shall prepare a report for the city council identifying the balance of fees in the various funds established pursuant to Section 3.56.070, the facilities constructed, and the facilities to be constructed. In preparing the report, the city manager shall adjust the estimated costs of the public improvements in accordance with the Engineering Construction Cost Index as published by Engineer News Record for the elapsed time period from the previous July 1st or the date that the cost estimate was developed. The annual report shall also include a review of the administrative overhead charge.”

SECTION 6. Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 7. Exemption from CEQA. Pursuant to Title 14, California Code of Regulations, Sections 15061 and 15273(4), the City Council finds that this ordinance is exempt from the California Environmental Quality Act.

SECTION 8. Effective Date; Publication. This Ordinance shall take effect from and after sixty (60) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

This ordinance was introduced at a Special Meeting of the City Council of the City of Morgan Hill held on the 10th Day of July, 2002, and was finally adopted at a Regular meeting of said Council on the 17th day of July, 2002; by the following vote:

| | |
|-----------------|-------------------------|
| AYES: | COUNCIL MEMBERS: |
| NOES: | COUNCIL MEMBERS: |
| ABSENT: | COUNCIL MEMBERS: |
| ABSTAIN: | COUNCIL MEMBERS: |

ATTEST:

APPROVED:

Irma Torrez, City Clerk

Dennis Kennedy, Mayor

🏛️ CERTIFICATION 🏛️

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. 1570, New Series, adopted by the City Council of the City of Morgan Hill, California at their Regular meeting held on the 17th day of July, 2002.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE:_____

IRMA TORREZ, City Clerk



CITY COUNCIL STAFF REPORT

MEETING DATE: July 17, 2002

ADOPT ORDINANCE NO. 1571, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING CHAPTER 3.54 (Recreation Fees) OF TITLE 3 (Revenue and Finance) OF THE MUNICIPAL CODE OF THE CITY OF MORGAN HILL REGARDING FEES FOR RECREATION SERVICES, INCLUDING CLASSES, FACILITIES AND ADMINISTRATIVE PROCESSING FEES

Agenda Item # 24

Prepared By:

Deputy City Clerk

Approved By:

City Clerk

Submitted By:

City Manager

RECOMMENDED ACTION(S): Motion to Adopt Ordinance No. 1571, New Series, as amended.

EXECUTIVE SUMMARY:

On July 10, 2002 , the City Council Introduced Ordinance No. 1571, New Series, as amended, by the Following Roll Call Vote: AYES: Carr, Chang, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: None.

FISCAL IMPACT:. If the City Council adopts the proposed fees, the City would collect from new revenues from users of the City's parks and sports fields.

ORDINANCE NO. 1571, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING CHAPTER 3.54 (Recreation Fees) OF TITLE 3 (Revenue and Finance) OF THE MUNICIPAL CODE OF THE CITY OF MORGAN HILL REGARDING FEES FOR RECREATION SERVICES, INCLUDING CLASSES, FACILITIES AND ADMINISTRATIVE PROCESSING FEES

WHEREAS, City of Morgan Hill provides numerous recreation services and leisure opportunities for its citizens through a wide variety of classes and facilities; and,

WHEREAS, on May 15, 1991, the City Council of the City of Morgan Hill adopted Ordinance No. 1030, N.S., codified as Chapter 3.54 of the Morgan Hill Municipal Code, which establishes city policy as to the criteria for establishment of fees to be charged for recreation services, and a methodology for adjustment thereof; and,

WHEREAS, the City Council finds that the operational costs of classes and facilities, as well as costs inherent in the administration of class registrations and facility bookings, necessitates charging fees to the public for such recreation services; and,

WHEREAS, the City Council of the City of Morgan Hill has received and duly considered the report entitled "Cost Recovery Study Findings," dated May, 2002, authored by DMG Maximus, portions of which address recreation services fees and charges; and,

WHEREAS, City staff has provided additional information to the City Council regarding the costs of providing recreation services to the general public, and the analytical process used to arrive at calculation of such costs; and,

WHEREAS, the City Council finds that due to the administrative timing issues regarding class implementation and registration the City Manager should be accorded the latitude to establish class fees; and,

WHEREAS, on July 17th, 2002, the City Council held a duly noticed public hearing, and considered all written and verbal information presented to it by staff and the public, which testimony and exhibits are hereby incorporated into the record of this matter; and,

WHEREAS, in light of the foregoing the City Council finds that amendments to the current ordinance are necessary to clarify the type of fees which may be charged, and the methodology for calculating the amount of such fees and any revisions thereto.

NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF MORGAN HILL, CALIFORNIA DOES ORDAIN AS FOLLOWS:

SECTION 1. Section 3.54.010 (Fee Criteria) of Chapter 3.54 (Recreation Fees) of Title 3 (Revenue and Finance) of the Municipal Code of the City of Morgan Hill is hereby amended to provide:

Section 3.54.010 Recreation fees ~~Fee criteria.~~

The following types of fees may be established, pursuant to resolution adopted by the Council, for recreation services: (1) class fees; (2) facility rental fees; and (3) administrative processing fees. In regards to facility rental and administrative processing fees, the city manager or designate will conduct a fee analysis ~~on a quarterly basis~~ to be utilized in establishing such fees for recreation services. The goal will be to enable the city to recover an increasingly greater share of total costs for adult activities and rental services. Emphasis in youth services will be on ensuring appropriate ~~maximum~~ cost recovery while minimizing the impact on youth participation. A balance will be sought between appropriate ~~maximizing~~ cost recovery ~~revenues~~ and providing affordable, quality recreational services in all three ~~both~~ instances.

SECTION 2. Section 3.54.020 (Fees may be adjusted in specialized areas on an as-needed and quarterly basis) of Chapter 3.54 (Recreation Fees) of Title 3 (Revenue and Finance) of the Municipal Code of the City of Morgan Hill is hereby amended to provide:

Section 3.54.020 Establishment and Revision of Fees ~~may be adjusted in specialized areas on an as-needed and quarterly basis.~~

1. The following factors may be considered ~~by the city manager methodology will be used~~ in establishing and revising fees:
 - A. Market analysis of public and private sector ~~opportunities: staff will conduct an on-going survey to determine~~ agencies, ~~both public and private~~ which are providing recreation opportunities;
 - B. Market survey of fees ~~and attendance: staff will identify the applicable fees charged~~ for recreation services by the agencies in the market survey;
 - C. Cost study of programs and services: ~~recreation and finance department staff will identify the cost of programs and services offered by~~ the recreation division services to ensure that fees are appropriately related to costs;
 - D. Projections of attendance levels for public and private recreation programs based on data collected by the city.
 - E. ~~Approval of fees and charges by city manager: staff will provide the city manager, for approval, with a proposed set of fees for the next activity quarter. This fee proposal should be provided to the city manager for approval forty-five days prior to the start of the activity quarter;~~
2. Class Fees: The City Manager is authorized to determine class fees, which fees should consider the above factors and be based on a reasonable cost recovery estimate.

3. Special exceptions: For special classes or programs not included in the published activity guide, a new fee may be charged as soon as approved by the city manager;

~~G. — Approved fees made available for public information: following approval, these fees will be charged for the respective activities to which they relate, made available to the public for their information and be included in the subsequent recreation activity guide.~~

SECTION 3. Severability. Should any provision of this ordinance be adjudged invalid by a court of competent jurisdiction, that portion shall be severed and the rest of the ordinance shall remain in effect and enforceable.

SECTION 4. Exemption from CEQA. Pursuant to Title 14, California Code of Regulations, Sections 15061 and 15273(a), the City Council finds that this ordinance is exempt from the California Environmental Quality Act.

SECTION 5. Effective Date; Publication. This Ordinance shall take effect from and after sixty (60) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

The foregoing ordinance was introduced at a regular meeting of the City Council of the City of Morgan Hill held on the 10th Day of July, 2002 and was finally adopted at a regular meeting of said Council on the 17th day of July, 2002 and said ordinance was duly passed and adopted in accordance with law by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ATTEST:

APPROVED:

Irma Torrez, City Clerk

Dennis Kennedy, Mayor

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. 1571, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the 17th day of July, 2002.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk